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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 17, 1953
For actions of July 16, 1953
83rd-1st, No. 132

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HIGHLIGHTS: House passed FCA reorganization bill. Senate confirmed Davis, Short, and Arnold nominations. House passed food-drug inspection bill.

HOUSE

1. FCA REORGANIZATION. Passed as reported H. R. 4353, to increase farmer participation in ownership and control of the Federal Farm Credit System; to create a Federal Farm Credit Board; to abolish certain offices; to impose a franchise tax upon certain farm credit institutions (pp. 9258-67).
2. FOOD INSPECTION. Passed without amendment H. R. 5740, to restore the factory-inspection authority of the Food and Drug Administration (pp. 9239-58).
3. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 6185, to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans (H. Rept. 849)(p. 9271).
4. FOREIGN-AID APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$5,124,512,132 to carry out the Mutual Security Act of 1953 (H. Doc. 209)(p. 9271); to Appropriations Committee.
5. MEAT PRICES. Rep. Poff criticized the spread between producer and consumer prices of meat (p. 9236).
6. FOREIGN TRADE. Rep. Lane objected to efforts to curb imports (pp. 9236-7).
7. MONETARY POLICIES. Rep. Patman claimed the current policy is "hard-money, high-interest, hard-times" (pp. 9268-70).

SENATE

8. NOMINATIONS of John H. Davis and Romeo E. Short as Assistant Secretaries of Agriculture, and Carl Raymond Arnold as FCA Governor, were confirmed (pp. 9183, 9235).
9. ACCOUNTING. The Government Operations Committee reported without amendment H. R. 5228, to provide annuities for retired Comptrollers General (S.Rept. 594) (p. 9184).
10. SMALL BUSINESS. The Banking and Currency Committee ordered reported (but did not actually report) with amendments S. 1523, to create a Small Business Administration (p. D716).
11. DROUGHT RELIEF; WATER CONSERVATION. Sen. Johnson inserted two newspaper editorials discussing Texas' need for conservation and proper distribution of its water, and an editorial favoring drought aid (pp. 9187-8).
12. LAND CONDEMNATION. Discussed and, at Sen. Hendrickson's request, passed over S. 1857, relating to condemnation of lands affecting water rights (p. 9197).
13. FUR LOANS. Discussed and, at Sen. Williams' and Sen. Langer's requests, passed over S. 1152, to extend for 5 years the authority of USDA to make loans to fur farmers (pp. 9198, 9202).
14. HOUSING LOANS. Received from this Department a proposed bill to continue the authority under Title V of the Housing Act of 1949; to Banking and Currency Committee (p. 9184).

BILLS INTRODUCED

15. COTTON IMPORTS. S. 2402, by Sen. Gore, providing that cotton presented for entry into the U. S. be classified by the Department of Agriculture; to Finance Committee (p. 9185).
16. MEAT PACKERS. S. 2404, by Sen. Dworshak, to authorize the Secretary of Agriculture to require reasonable bonds from packers; to Agriculture and Forestry Committee (p. 9185).
17. COTTON QUOTAS. H. R. 6337, by Rep. Abernethy, and H. R. 6338, by Rep. Jones, No., to amend the marketing-quota law for cotton; to Agriculture Committee (p. 9272).
- by Rep. McGregor,
18. BUILDINGS. H. R. 6342, to amend the Public Buildings Act of 1949 to authorize GSA to acquire title to real property and to provide for construction thereon of certain buildings by executing purchase contracts; to Public Works Committee (p. 9272).

ITEMS IN APPENDIX

19. COTTON. Extension of remarks of Rep. Hagen, Calif., favoring a greater cotton quota for Calif. and including BAE statistics showing that Calif. has a larger percentage of small land ownerships than 16 Southern States (p. A4635).
20. FARM POLICY. Rep. Hope inserted John H. Davis' speech before the American Seed Trade Assn. discussing farm policy (pp. A4632-5).
21. BUDGETING; EXPENDITURES. Rep. Coudert inserted a newspaper editorial criticizing Government "waste and extravagance" and favoring legislation to limit spending to anticipated income (p. A4637).

ESTIMATES OF APPROPRIATION TO CARRY OUT THE
PURPOSES OF THE MUTUAL SECURITY ACT OF 1953

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

ESTIMATES OF APPROPRIATION FOR THE FISCAL YEAR 1954, IN
THE AMOUNT OF \$5,124,512,132, TO CARRY OUT THE PURPOSES OF
THE MUTUAL SECURITY ACT OF 1953 (PUBLIC LAW —, AP-
PROVED JULY —, 1953)

JULY 16, 1953.—Referred to the Committee on Appropriations, and ordered to
be printed

THE WHITE HOUSE,
Washington, July 16, 1953.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration
of the Congress estimates of appropriation for the fiscal year 1954,
in the amount of \$5,124,512,132, to carry out the purposes of the
Mutual Security Act of 1953 (Public Law —, approved July —,
1953).

The details of the estimates, the necessity therefor, and the
reasons for their submission at this time, are set forth in the attached
letter from the Director of the Bureau of the Budget, with whose
comments and observations thereon I concur.

Respectfully yours,

DWIGHT D. EISENHOWER.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., July 15, 1953.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration proposed appropriations for the fiscal year 1954, in the amount of \$5,124,512,132, for carrying out the purposes of the Mutual Security Act of 1953 (Public Law —, approved July —, 1953), as follows:

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1951 (Public Law 165, approved October 10, 1951), as amended, as follows:

[Military assistance, title I: For assistance authorized by section 101 (a) (1), \$3,128,224,750; and, in addition unexpended balances of appropriations heretofore made pursuant to section 101 (a) (1) of said Act shall remain available through June 30, 1953, and shall be consolidated with this appropriation;]

[Economic and technical assistance, title I: For assistance authorized by section 101 (a) (2), \$1,282,433,000; and, in addition, unexpended balances of appropriations heretofore made pursuant to section 101 (a) (2) of said Act shall remain available through June 30, 1953, and shall be consolidated with this appropriation;]

[Assistance to Spain: Unexpended balances of appropriations for "Assistance to Spain", granted in the Mutual Security Appropriation Act of 1952, shall remain available until June 30, 1953, and shall be consolidated with funds allocated for assistance to Spain pursuant to section 101 (e) of the Mutual Security Act of 1951, as amended;]

[Military assistance, title II: For assistance authorized by section 201, \$499,116,500; and in addition, unexpended balances of appropriations heretofore made pursuant to section 201 of said Act shall remain available through June 30, 1953, and shall be consolidated with this appropriation;]

[Economic and technical assistance, title II: For assistance authorized by section 203, \$50,822,750; and, in addition, unexpended balances of appropriations heretofore made pursuant to section 203 of said Act (except the amounts allocated or available for the purposes of sections 204 and 205 of said Act) shall remain available through June 30, 1953, and shall be consolidated with this appropriation;]

[Palestine refugee assistance, title II: For assistance authorized by section 206 for carrying out the purposes of section 204 of said Act, \$60,063,250; and, in addition, unexpended balances of appropriations heretofore made available pursuant to section 203 and allocated or otherwise available for the purposes of said section 204 shall remain available through June 30, 1953, and shall be consolidated with this appropriation;]

[Relief and resettlement of refugees entering Israel, title II: For assistance authorized by section 206 for carrying out the purposes of section 205 of said Act, \$70,228,000;]

[Military assistance, title III: For assistance authorized by section 301, \$540,807,500; and, in addition, unexpended balances of appropriations heretofore made pursuant to section 301 of said Act shall remain available through June 30, 1953, and shall be consolidated with this appropriation;]

[Economic and technical assistance, title III: (a) For assistance authorized by section 302 (a) to be furnished under the applicable provisions of section 503 of the Mutual Security Act of 1952, \$202,778,250; and, in addition, unexpended balances of appropriations heretofore made available pursuant to section 302 of said Act and allocated or otherwise available to the Mutual Security Agency (except unexpended balances of funds allocated for assistance to Burma and Indonesia) shall remain available through June 30, 1953, and shall be consolidated with this appropriation; (b) For assistance authorized by section 302 (a) to be furnished under the applicable provisions of the Act for International Development, as amended, \$67,793,000; and, in addition, unexpended balances of (1) appropriations heretofore available pursuant to section 302 of said Act and allocated or otherwise available to the Technical Cooperation Administration, and

(2) funds allocated for assistance for Burma and Indonesia, shall remain available through June 30, 1953, and shall be consolidated with this appropriation;]

[Contributions to United Nations Korean Reconstruction Agency, title III: The unobligated balances of the appropriations available during the fiscal year 1952 for carrying out section 303 of said Act shall remain available through June 30, 1953;]

[Military assistance, title IV: For assistance authorized by section 403, to carry out the provisions of section 401 of said Act, \$51,685,750; and, in addition, unexpended balances of appropriations heretofore made pursuant to said section 401 shall remain available through June 30, 1953, and shall be consolidated with this appropriation;]

[Technical assistance, title IV: For assistance authorized by section 403 to carry out the provisions of section 402 of said Act, \$20,329,000; and, in addition, unexpended balances of appropriations heretofore made pursuant to said section 402 shall remain available through June 30, 1953; and be consolidated with this appropriation;]

[Movement of migrants, title V: For assistance authorized by section 534, \$9,240,500;]

[Ocean freight, voluntary relief packages, title V: For assistance authorized by section 535, \$2,587,500.]

[MULTILATERAL TECHNICAL COOPERATION]

[For contributions authorized by section 404 (b) of the Act for International Development, as amended by section 10 (a) of the Mutual Security Act of 1952, \$9,171,333.]

[CONTRIBUTIONS TO UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND]

[For contributions authorized by section 12 of the Mutual Security Act of 1952, \$6,666,667.]

Military assistance, Europe: For assistance authorized by sections 540 and 548 for the purpose of section 101 (a) (1), \$2,172,197,910;

Military assistance, Near East and Africa: For assistance authorized by sections 540 and 548 for the purpose of section 201, \$251,082,120; and, in addition, for assistance authorized by section 202 (b), \$50,000,000;

Military and other assistance, Asia and the Pacific: For assistance authorized by sections 540 and 548 for the purpose of section 301, \$1,059,876,014;

Military assistance, American Republics: For assistance authorized by sections 540 and 548 for the purpose of section 401, \$15,414,010;

Mutual defense financing, defense support, economic and technical assistance, Europe: For assistance authorized by sections 541 and 548 for the purpose of section 101 (a) (2), \$268,200,000;

Mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam: For assistance authorized by section 541 for the purpose of section 302 (a), \$84,000,000;

Mutual defense financing, manufacturing in France: For assistance authorized by section 102, \$100,000,000;

Mutual defense financing, manufacturing in the United Kingdom: For assistance authorized by section 102, \$100,000,000;

Mutual defense financing, for equipment, materials and services for forces in the Associated States of Cambodia, Laos, and Vietnam: For assistance authorized by section 304, \$400,000,000;

Mutual special weapons planning: For assistance authorized by section 542, \$100,000,000;

Economic and technical assistance, Near East and Africa: For assistance authorized by section 543 for the purpose of section 203, \$42,743,499;

Economic and technical assistance, defense support, Asia and the Pacific, other than Formosa and the Associated States of Cambodia, Laos, and Vietnam: For assistance authorized by section 543 for the purpose of section 302 (a), \$61,278,001;

Technical assistance, American republics and non-self-governing territories of the Western Hemisphere: For assistance authorized by section 543 for the purpose of section 402, \$24,342,000;

Basic materials: For assistance authorized by sections 514 and 548, \$32,500,000;

Special economic assistance, Near East and Africa: For assistance authorized by section 206, \$164,000,000;

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Special economic assistance, India and Pakistan: For assistance authorized by section 302 (b), \$94,400,000;

Movement of migrants: For contributions authorized by section 534, \$10,000,000;

Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, \$13,750,000;

International children's welfare work: For contributions during the calendar year 1954 authorized by section 545, \$9,000,000;

Ocean freight, voluntary relief shipments: For payments authorized by section 535, \$1,428,578;

Contributions to United Nations Korean Reconstruction Agency: For making contributions authorized by section 303 (a), \$70,300,000.

UNEXPENDED BALANCES

The unexpended balance under each paragraph of title III, Mutual Security, of the Supplemental Appropriation Act, 1953, shall remain available for its original purposes through June 30, 1954, and shall be consolidated with the appropriate fiscal year 1954 appropriation made for the same general purpose in this Act.

CORPORATION

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year [1953] 1954 for such corporation:

Institute of Inter-American Affairs.

GENERAL PROVISIONS

Appropriations in this title for economic or technical assistance and allocations from any appropriations to the Director for Mutual Security, or the Mutual Security Agency, or the Department of State, shall be available, without limitation on any authority conferred by the Mutual Security Act of 1951, as amended, or any Act continued in effect thereby, for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations; *employment of aliens, by contract, for services abroad*; [hire of passenger motor vehicles; purchase of not to exceed two aircraft for use outside the continental limits of the United States and] maintenance, operation, and hire of aircraft; [purchase of not to exceed twenty passenger motor vehicles for use outside the continental limits of the United States] *hire of passenger motor vehicles* and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced [for] *by* an equal number of such vehicles; transportation of privately owned automobiles; entertainment within the United States (not to exceed [\$20,000] \$15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed \$50,000) of a confidential character other than entertainment provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of Mutual Security, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; acquisition of quarters outside the continental limits of the United States to house employees of the United States Government by rental (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278 (a)), lease, purchase, or construction and necessary repairs and alterations to such quarters; health and accident insurance for foreign trainees and technicians while enroute or absent from their own countries participating in activities authorized under the Mutual Security Act of 1951, as amended; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1951, as amended; *purchase of uniforms; ice and drinking water for use abroad*; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed 20 officers

in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed 20 commissioned officers in addition to those otherwise authorized: *Provided*, That not to exceed **[\$37,800,000]** \$68,000,000 shall be available for administrative expenses of the departments and agencies concerned with the administration of the programs provided for herein **[**including not to exceed \$186,900 for personal services for those persons in a publicity office of the Mutual Security Agency in the District of Columbia the major part of whose activities is the dissemination of information in the United States and for expenses incident to the dissemination of such information,**]** and no part of such amount shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area: *Provided further*, That appropriations herein made available for the payment of rents in the District of Columbia, may be transferred to the General Services Administration for the payment of rents and related expenses in the District of Columbia: *Provided further*, That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel, when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year **[**: *Provided further*, That no part of such funds shall be expended for the purchase of Agricultural products or products produced from Agricultural products not declared to be in short supply, in the United States by the Secretary of Agriculture, at less than the prevailing market price of such commodity within the United States or if obtained from the Commodity Credit Corporation stocks, at less than the support price of such commodity including handling and storage costs, but nothing in this proviso shall be construed to prevent the operation of export payment programs, other than those financed from funds contained in this chapter, pursuant to section 32 of the Act of August 24, 1935 (Public Law 320, Seventy-fourth Congress), as amended, or to prevent the sale at less than the support price, including handling and storage costs, of any commodity from Commodity Credit Corporation stocks which has substantially deteriorated in quality or as to which there is danger of loss or waste through deterioration or spoilage**]**.

The necessity for the estimates was fully detailed in the message from the President of the United States transmitted to the Congress on May 5, 1953, recommending the continuance of the mutual security program.

The estimates which total \$5,124,512,132 are within the authorizations for individual sections and titles contained in H. R. 5710 as passed by the Congress. In several instances the estimates are below the amounts authorized as a result of savings achieved principally through examination of the fiscal year 1953 unobligated balances. Savings total \$131,116,368. A comparison between the authorized amounts and the appropriations proposed herein is presented in the attached exhibit I.

I recommend that the foregoing proposed appropriation be transmitted to the Congress.

Respectfully yours,

JOS. M. DODGE,
Director of the Bureau of the Budget.

6 ESTIMATES OF APPROPRIATION—MUTUAL SECURITY ACT OF 1953

EXHIBIT I

MUTUAL SECURITY

Comparison between H. R. 5710 and proposed appropriation, fiscal year 1954

Section of Mutual Security Act of 1953	Authorized	Recom- mended	Difference (column 3— column 2)	Reconciliation	
				Sec. 548 (a) incre- ment (+)	Savings (—)
(1)	(2)	(3)	(4)	(5)	(6)
MILITARY					
101 Europe.....	\$2,129,689,870	\$2,172,197,910	\$42,508,040	\$42,508,040	-----
101 Near East and Africa.....	305,212,637	251,082,120	—54,130,517	4,829,210	\$58,959,727
101 Asia and Pacific.....	1,081,620,493	1,059,876,014	—21,744,479	2,444,340	24,188,819
101 American Republics.....	15,000,000	15,414,010	414,010	414,410	400
MUTUAL-DEFENSE FINANCING					
201 Europe.....	250,000,000	268,200,000	18,200,000	18,200,000	-----
201 Formosa and Indochina.....	84,000,000	84,000,000	-----	-----	-----
201 French NATO.....	100,000,000	100,000,000	-----	-----	-----
201 British NATO.....	100,000,000	100,000,000	-----	-----	-----
201 Indochina force support.....	400,000,000	400,000,000	-----	-----	-----
301 MUTUAL SPECIAL WEAPONS.....	100,000,000	100,000,000	-----	-----	-----
TECHNICAL ASSISTANCE					
401 Near East and Africa.....	43,792,500	42,743,499	—1,049,001	-----	1,049,001
401 Asia and Pacific.....	72,100,000	61,278,001	—10,821,999	-----	10,821,999
401 American Republics.....	24,342,000	24,342,000	-----	-----	-----
402 Basic materials.....	7,500,000	32,500,000	25,000,000	25,000,000	-----
SPECIAL ASSISTANCE					
501 Near East and Africa.....	194,000,000	164,000,000	—30,000,000	-----	30,000,000
502 India and Pakistan.....	94,400,000	94,400,000	-----	-----	-----
MULTILATERAL ORGANIZATIONS					
601 Migrants.....	10,000,000	10,000,000	-----	-----	-----
602 Technical Assistance.....	13,750,000	13,750,000	-----	-----	-----
603 Children's Welfare.....	9,000,000	9,000,000	-----	-----	-----
604 Ocean Freight.....	1,825,000	1,428,578	—396,422	-----	396,422
605 Korea Reconstruction.....	71,000,000	70,300,000	—700,000	-----	700,000
MILITARY					
704 Near East and Africa.....	50,000,000	50,000,000	-----	-----	-----
Subtotal.....	5,157,232,500	5,124,512,132	—32,720,368	-----	126,116,368
Sec. 548 (a) increment.....	98,396,000	-----	—98,396,000	93,396,000	5,000,000
Total.....	5,255,628,500	5,124,512,132	—131,116,368	93,396,000	131,116,368

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 21, 1953
For actions of July 20, 1953
83rd-1st, No. 135

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HIGHLIGHTS: Both Houses completed congressional action on 2nd independent offices appropriation bill. House received conference reports on 1st independent offices and Army civil appropriation bills. Senate received appropriation estimate for corn allotments. House discussed forest-mining bill. House passed bill to celebrate 50th anniversary of farm-demonstration work. House subcommittee approved its report on pea sales. Sen. Magnuson introduced and discussed bill to restrict farm imports.

HOUSE

(July 18, 1953)

- 1. APPROPRIATIONS.** The Appropriations Committee reported without amendment H. R. 6391, the foreign-aid appropriation bill for 1954 (H. Rept. 880) (p. 9562).
Received the conference report on H. R. 4663, the first independent offices appropriation bill for 1954, which includes funds for the Budget Bureau, Civil Service Commission, National Science Foundation, etc. (pp. 9556-60).
Both Houses agreed to the conference report on H. R. 3690, the second independent offices appropriation bill for 1954, which includes funds for the Tennessee Valley Authority, Veterans' Administration, and Selective Service System (pp. 9481-2, 9516-9, 9559-60). This bill will now be sent to the President.
Received the conference report on H. R. 5376, the Army civil appropriation bill for 1954, which includes funds for flood control (pp. 9487, 9545-7).
- 2. BUILDINGS.** The Rules Committee reported a resolution for consideration of H. R. 6342, to authorize GSA to acquire land and enter into lease-purchase contracts for construction of Government buildings thereon (p. 9562).
- 3. EXTENSION WORK.** Passed without amendment H. J. Res. 161, requesting the President to designate 1953 as the 50th Anniversary Year of Farm Demonstration Work (p. 9512).
- 4. SAFETY.** Passed as reported S. 1105, to incorporate the National Safety Council (pp. 9509-10).
- 5. PEA SALES.** A subcommittee of the Agriculture Committee approved for reporting to

the full Committee a report on its study of the sale of 80,000 tons of Austrian peas by CCC (p. D739).

6. FORESTRY. Discussed and, at the request of Rep. Price, passed over H. R. 4983, to define the surface rights of a locator of a mining claim on U. S. land. Rep. Miller said a joint subcommittee of the Interior and Insular Affairs Committee and the Agriculture Committee has been appointed to iron out the differences between the two Committees on this subject. The subcommittee consists of Reps. D'Ewart, Engle, Wharton, Hill, Hagen, and Abbitt. (pp. 9507-8.)
7. RESEARCH. Discussed and, at the request of Rep. Phillips, passed over H. R. 4689, to provide an open-end authorization for the National Science Foundation (p. 9507).
8. RECLAMATION. Passed without amendment S. 1433, to extend the benefits of certain provisions of the Reclamation Project Act of 1939 to the Arch Hurley Conservancy District, N. Mex. (p. 9512). This bill will now be sent to the President.
9. INTEREST RATES. Rep. Dentsen criticized the policy of permitting increases in interest rates (pp. 9552-5).
10. FORESTRY. The Agriculture Committee reported with amendment H. R. 3107, to provide for conveyance of a tract of forest land in Basalt, Colo. (H. Rept. 888) (p. 9562).

SENATE

11. APPROPRIATIONS. Received from the President a supplemental appropriation estimate for 1954 of \$7,500,000 for this Department to formulate and carry out acreage allotments on the 1954 corn crop in the commercial areas; to Appropriations Committee (S. Doc. 61)(p. 9432).
In reporting H. R. 5969, the defense appropriation bill, the Committee struck out the prohibition against cost-of-living allowances for residents of the Territory or possession involved.
12. RECLAMATION. Passed without amendment H. R. 1991, relating to certain cost adjustments in the Greenfield division, Mont. (p. 9483). This bill will now be sent to the President.
13. SMALL BUSINESS. Passed with amendments H. R. 5141, to create a Small Business Administration (pp. 9431, 9443-75).
14. FISCAL POLICY. Sen. Morse criticized the Administration's fiscal policies and inserted newspaper articles on this matter (pp. 9440-2).
15. ELECTRIFICATION. Sen. Morse inserted R. L. Neuberger's article criticizing Secretary McKay's decision "to abandon" the Hells Canyon project (p. 9484).
16. LEGISLATIVE PROGRAM. Sen. Knowland stated that today the Senate will consider the FCA reorganization bill and the rubber-plants sale bill (pp. 9483-4).

BILLS INTRODUCED

17. FARM IMPORTS. S. 2430, by Sen. Magnuson (for himself and others), to amend the Trade Agreements Act to vest additional authority in the Tariff Commission regarding imports of agricultural commodities; to Finance Committee (p. 9435). Remarks of author (pp. 9435-6).

MUTUAL SECURITY APPROPRIATION BILL, 1954

JULY 18, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TABER, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6391]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Mutual Security for the fiscal year ending June 30, 1954.

The budget estimate of January 9 as submitted to the Congress contemplated a request of \$7,600,000,000 for the Mutual Security Program for fiscal year 1954. The revised estimates considered by the Committee for this program totaled \$5,124,512,132. In addition, the Committee considered supplemental estimates of \$9,814,333 for the United Nations International Children's Emergency Fund and \$4,595,812 for multilateral technical assistance activities of the United Nations, or a total budget request for items considered in connection with the bill of \$5,138,922,277.

Appropriations totaling \$4,433,678,000 are recommended for 1954, a reduction of \$3,180,732,145 in the original estimates and \$705,244,277 in the revised estimates. In addition to the appropriations recommended, a total of \$1,758,010,179 of unobligated funds are continued available.

GENERAL COMMENTS

The Committee was presented with a Budget request of \$5,124,512,132 for the Mutual Security program for fiscal year 1954. Instead of the nearly \$500 million unobligated balance as of June 30 brought to the attention of the legislative committees, a more recent

and more realistic unobligated balance of \$2.175 billion was presented. Thus the Committee was confronted with a request for continued availability of funds of nearly \$1.7 billion more than was presented to the Congress on the passage of authorizing legislation. This increase resulted very largely from an investigation made by the General Accounting Office at the request of the Committee, the net result of which was to require the Department of Defense to apply the rules of law in its obligation of funds for the Mutual Security Agency. The entire bill as it is presented makes available in new and retained obligating authority of approximately \$600 million more than was contemplated at the time the authorizing bill was passed. The Committee has very carefully reviewed both the requirements and fund availability, bearing in mind the necessity of meeting the obligations facing the United States in this critical era. It is believed that provision has been made for every activity in such amounts as can be obligated or expended with good management, and the Committee is convinced that this will be borne out clearly as the fiscal year progresses.

MILITARY ASSISTANCE

The total value of military assistance rendered under the various aid programs since the original Marshall plan and through fiscal year 1953, is nearly \$16.5 billion. Of this amount something over \$13.4 billion was for Europe, with the remainder going to other areas of the world, principally to the Near East and Asia. The accompanying bill provides a total of \$3.15 billion for military assistance of which amount \$1.86 billion is for Europe. Accordingly, a total in excess of \$19 billion will have been appropriated for military assistance to the free nations of the world upon the enactment into law of the pending bill.

The following tabulation lists, by area, (1) appropriations for fiscal year 1953, (2) the amounts of the original requests transmitted to the Congress on January 9 (not considered by the legislative committees), (3) amounts of budget estimates for fiscal year 1954, and (4) amounts recommended in the accompanying bill.

Comparison of appropriations and estimates

[In billions, including local currency equivalent]

Area	Appropriation, 1953	1954 Budget estimate (Jan. 1953)	1954 Budget estimate (July 1953)	Recommended in the bill	Bill compared with—		
					Appropriation, 1953	Budget request, January	Budget estimate, July
Europe.....	¹ \$3.047	\$4.104	\$2.172	\$1.860	—\$1.187	—\$2.244	—\$0.312
Near East and Africa.....	.506	.530	.301	.290	— .216	— .240	— .011
Asia and Pacific.....	.542	.810	1.060	.985	+ .443	+ .175	— .075
American Republics.....	.052	.020	.015	.015	— .037	— .005	(2)
Total.....	4.147	5.464	3.548	3.150	— .997	— 2.314	— .398

¹ Excludes \$125 million transferred to Economic Assistance.

² Less than \$1 million.

SCOPE OF MILITARY ASSISTANCE

Funds in the approximate amount of \$2.15 billion are to be allocated among eleven nations within the North Atlantic Treaty Organization, and to the Federal Republic of Germany, Spain, and Yugoslavia. Military assistance was not requested for one member of NATO, namely, Iceland. The remainder, or approximately \$1 billion of the total recommended, is for distribution to the several countries in the Near East, Africa, Pacific area, and South America.

BACKGROUND OF COMMITTEE ACTION

The following three principal factors were considered by the Committee in its action on the requests for continued military assistance.

The first is the matter of timing the ultimate build-up of strength for meeting periods of greatest danger. The process of attaining the set goals and establishing within the free world a satisfactory posture of defense has been beset with numerous difficulties and problems. Many troublesome issues have been resolved and those still remaining will be resolved, for the reason that the determination of all free nations of the world to unite in defense is steadily increasing. The amount recommended in the bill, together with previously appropriated funds which are continued available, when added to the efforts of other free nations, will permit a continuation of the planned military build-up on a steady and sound basis.

Related to the first factor is the matter of predetermined military requirements of the free nations, and the extent to which we have been able to assist in fulfilling those requirements. The magnitude and complexity of the program and our own immediate military requirements have accounted for the major portion of delays in scheduled deliveries. As a result there is reported as of June 30, for military purposes only, an unobligated balance of \$1.992 billion, and an unexpended balance of \$8.809 billion. The Committee took cognizance of these balances, but not to the extent of injuring the program or delaying its completion. The reductions in both new authority and in carry-over funds should, in the light of information made available, result in little or no reprogramming of requirements. However, the Committee feels that if some minor reprogramming is found to be necessary it can be accomplished within the total funds available and within the substantial and in some instances, excessive expenditure lead time provided by those funds. A constant and vigilant reappraisal of military requirements is absolutely necessary for economical procurement and operation.

The last, but by no means the least, factor is our rising public debt, which now exceeds \$272 billion. The fiscal year 1953 deficit alone was approximately \$9.4 billion, or nearly \$3.5 billion more than was estimated in the January Budget. With the exception of a balanced budget accomplished during the 80th Congress this country has operated on a deficit for so long that, unfortunately, too many individuals are taking it for granted. They have become accustomed to the term. At the risk of seeming academic, the Committee must reiterate the thought that only a balanced budget and a sound economy can give us and the other free nations of the world the strength with which to wage a continuing war on communism, be it hot or

cold. If the free world is to attain and retain this balanced economy it must develop its military potential only to the extent it can maintain it over a considerable number of years. It is felt that this can be done by constant reappraisal of military needs and by continuing the progress in the development of new weapons. It becomes increasingly apparent that future wars, if they come, will to a great extent be waged with future weapons.

RECOMMENDED REDUCTIONS

The recommended appropriations of \$3.15 billion, together with the continued availability of unobligated balances of \$1.59 billion, results in a total availability for obligation in 1954 of \$4.74 billion. While some small part of the carry-over is, admittedly, programmed, this total, nonetheless, far exceeds the reported total obligations of \$2.591 billion for fiscal year 1953. Of the total unobligated balance of \$1.992 billion, approximately \$661 million was generated by the deobligation during the months of May and June of actual dual obligations. Obviously, no reprogramming of items thus obligated is necessary.

With respect to total expenditure availability, the recommended appropriation of \$3.15 billion, together with the unexpended balance of \$8.809 billion reported as of June 30, results in a total availability for expenditure of \$11.959 billion. The projected rate of expenditure in 1954 is \$4.676 billion for all materiel, with perhaps an additional expenditure of \$500 million for other military items, including training. While the lead time of approximately two years is necessary for some items in the program, the Committee questions the advisability of generally financing this or any other program so far into the future. However, in order to resolve any doubts as to the intent of the Committee with respect to the objectives which are being sought by this program additional possible reductions were not made.

UNOBLIGATED BALANCES

The Committee generally is not in favor of reappropriating unobligated balances without specific knowledge as to what those balances are. Such a procedure can only result in the losing by Congress of the control of funds. Accordingly, in this instance only specific unobligated balances are reappropriated.

FOREIGN CREDITS

Within the amount of \$3.15 billion recommended there is included the amount of \$50.2 million for purchase from the United States Treasury of required foreign currencies. This, in effect, is a book-keeping transaction and to that extent is not a charge against revenues. Foreign credits in the amount of \$51.8 million were utilized in fiscal year 1953, and for comparability this amount is included in the 1953 appropriation columns.

It should also be pointed out that during the program and through March 31, 1953 counterpart funds, controlled by the United States and the respective participating foreign governments, have been released for military purposes in the total amount of \$1.351 billion.

The recommended appropriation and the direct efforts of the participating countries will be similarly supplemented by the use of counterpart balances.

MUTUAL DEFENSE FINANCING

Defense support, economic and technical assistance, Europe.—There is included in the bill a total of \$218,000,000 for defense support and economic and technical assistance in Europe. This amount represents a reduction of \$50,200,000 in the revised budget estimate. It is, however, only \$200,000 below the amount contained in the authorization bill as recommended by the House Foreign Affairs Committee and as originally passed by the House of Representatives. The funds requested under this item were for the following countries: Austria, Germany, Greece, Italy, Turkey, United Kingdom, Yugoslavia and Spain. The Committee has not specified the amount of aid for each country, believing that such discretion should be left with the President and the Mutual Security Director.

Advice was received that, in addition to the new funds requested for Spain, there was an estimated unobligated balance of \$75,049,929 as of June 30, 1953. Accordingly language has been included in the bill extending the availability of that amount to June 30, 1954, for the same purpose. Likewise, the Committee was advised that there was an estimated unobligated balance of \$37,500,000 available as of June 30, specifically available for aircraft production. Language was also included continuing this amount available until June 30, 1954, for the same purpose.

The Committee was not impressed with the justifications presented in connection with the request for \$5,000,000 for a European Cooperative Bank.

It would appear that some of the varied activities included under the heading of Technical Assistance could be reduced substantially without impairing the program.

Defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos and Vietnam.—The Committee recommends the full amount of the revised budget estimate, \$84,000,000, for this item. It also has included language which continues available not to exceed \$11,000,000 of funds unobligated as of June 30, 1953, thus making a total of \$95,000,000 available for obligation during fiscal year 1954. Of the total amount, \$70,000,000 is for Formosa and \$25,000,000 for Indochina.

Manufacturing in France.—The bill includes \$85,000,000 for the purchase of ammunition and certain artillery weapons for the French forces. The Committee was advised that these items would be purchased in France and made available to the French forces assigned to NATO. The amount allowed is \$15,000,000 below the amount of the revised budget estimate.

Manufacturing in the United Kingdom.—The bill also includes \$85,000,000 for the additional purchase of airplanes in the United Kingdom. This amount is \$15,000,000 below the amount of the revised budget estimate. It is in the same category as the previous one for France in regard to offshore procurement and defense support.

Equipment, materials and services for forces in the Associated States of Cambodia, Laos and Vietnam.—The full amount of the budget

estimate, \$400,000,000, is included in the bill to assist in financing the costs of the French and Indochinese forces in support of the war in Indochina. The defense against Communist troops in Indochina is currently costing the French Government approximately \$1.2 billion per year. The appropriation recommended represents approximately one-third of this cost and is predicated on vigorous prosecution of the campaign.

MUTUAL SPECIAL WEAPONS

The committee recommends an appropriation of \$50,000,000, a reduction of \$50,000,000 in the budget estimate. This is a new item, authorized at \$100,000,000 in the Mutual Security Act, 1953, not having appeared in previous authorizations or appropriations for foreign aid.

These funds provide for the development of special, new, non-atomic weapons, either at home or abroad, which in the judgment of the military authorities and the President make possible defensive capability at less cost than is possible with current conventional weapons.

TECHNICAL ASSISTANCE

The Committee recommends a total of \$72,000,000 for 1954, \$24,000,000 for the Near East and Africa, \$33,000,000 for Asia and the Pacific, and \$15,000,000 for the American Republics. The amount recommended is a decrease of \$64,000,000 in the original 1954 budget estimates and is \$56,363,500 below the revised estimates for 1954.

The reductions proposed are not intended to indicate that the Committee is in disagreement with the objectives and purposes of this program. Committee action is based on conclusive evidence that actual performance under this program has fallen considerably short of projected plans and programs. While there are many understandable reasons for this situation, such as difficult personnel recruitment problems, the appropriation of more funds for 1954 than can be effectively used is not justified.

Personnel statistics furnished the Committee show that only about 1,700 of the 2,630 field positions authorized for 1953 were actually filled as of May 31, leaving nearly 1,000 vacant positions under projected plans for 1953. Despite this situation, the request for 1954 provided for approximately 2,900 persons in 1954, an expansion of over 70 percent as compared with May 31 employment. It is understood that recruitment for this activity is extremely difficult, due to the nature of the field assignments and the extremely long period required for security clearance and appointment. It is also understood that it would be extremely difficult to attract sufficient new personnel to this program to much more than offset resignations in 1954.

Further indication of the over-planning and lack of accomplishment in this program is the large amount of unexpended balances as of June 30, 1953. Of the \$307,000,000 provided for fiscal years 1952 and 1953, approximately \$175,000,000 (57 percent) is still unexpended. The unexpended balances in many of the countries in the program run in excess of 50 percent of available funds for the two years, as follows: Egypt, 90 percent; Iran, 51 percent; Jordan, 59 percent;

Saudi Arabia, 55 percent; Afghanistan, 66 percent; Burma, 78 percent; India, 71 percent; Indonesia, 75 percent; Pakistan, 77 percent.

The committee feels that no effort should be made by the Technical Cooperation Administration to force this program on any country which is not interested in taking an active part therein and in contributing funds at least equal to those being spent by the United States. From information presented, it appears that there are certain countries in the Near East and Latin America for which funds are requested for 1954 where the local contribution is lower than that of the United States or where the country has shown little interest in the program. The Committee feels that funds recommended herein should be used in those areas which are enthusiastically behind the program and where the most opportunity for beneficial results exists.

BASIC MATERIALS DEVELOPMENT

The objective of this program is to develop new sources of basic raw materials essential to the security of the United States, through the provision of additional financial support to certain countries in Asia and Africa for projects involving the establishment of new mines, the expanding of existing mines, and the building or improving of transportation facilities.

A total of \$23,000,000 is recommended for 1954, \$20,000,000 for purchase of local currencies and \$3,000,000 for dollar requirements. It is the intent of the Committee that these funds be used entirely for those projects directly related to critical and strategic materials, such as uranium, cobalt and manganese.

SPECIAL ECONOMIC ASSISTANCE

The committee has approved a total of \$195,000,000 for special economic aid, \$120,000,000 to the Arab states, Israel and Iran and \$75,000,000 to India and Pakistan. In addition, unobligated funds in the amount of \$44,063,250 are carried forward into the fiscal year 1954 for the Palestine refugee program.

The funds provided for the Near East will be used to assist Israel in providing homes and work for its expanding population and to assist in increasing its agricultural production. Funds are included for Egypt to help solve its problems arising from acute overpopulation on very restricted cultivated lands, through the development of the potential water resources of the Nile River. Funds are also included to enable the other countries in this area to increase their agricultural production and improve transportation and related facilities.

The funds provided for India will permit an extension of the community development program now under way in that country, together with a continuation of the digging of numerous wells for irrigation purposes throughout the country. Nearly half of the funds involve the construction of dams for irrigation, flood control and power purposes. Funds are also included for distribution of large quantities of fertilizer and for the importation of steel, iron, and tools for agricultural purposes.

The amounts included for Pakistan cover large quantities of fertilizers, the drilling of wells for irrigation purposes, land clearance, reclamation, urban sanitation and highway improvement.

MULTILATERAL ORGANIZATIONS

Movement of Migrants.—The bill includes \$10,000,000, the full amount of the budget request.

Multilateral Technical Cooperation.—The bill includes \$5,250,000, a reduction of \$8,500,000 from the request and \$3,950,000 from the appropriation for 1953. The amount approved includes \$1,000,000, the full amount of the request, for payment into the Organization of American States, and \$4,250,000 to be contributed to United Nations organizations. The justifications presented to the committee showed that other countries were expected to contribute \$8,500,000 to the U. N. organizations for the same purpose, thus the amount allowed will equal 33⅓% of the total estimated cash contributions. It is the desire of the committee that, hereafter, all of the budget requests for U. S. contributions to United Nations organizations be included under one head in the State Department section of the Budget. The present method of presenting requests under more than one section of the Budget fails to clearly indicate to the Congress the extent of the U. S. contribution to these organizations.

United Nations International Children's Emergency Fund.—The bill includes \$5,000,000 additional funds for the calendar year 1953. This is a reduction of \$4,814,333 from the request. The amount allowed will supplement the amount of \$6,666,667 contained in the Supplemental Appropriation Act, 1953.

The committee was also requested to approve \$9,000,000 for calendar year 1954 even though it was testified that the present program expires on December 31, 1953 and the United Nations is not planning to meet until sometime this fall to decide whether to establish a program for 1954. The committee has included no funds for this nonexistent program. In line with the recommendation included under the item "Multilateral Technical Cooperation", the committee hopes that any program that may be formulated is operated through the regular United Nations organizations and desires that the requests for funds be consolidated with other such requests under the State Department portion of the Budget for 1955.

Ocean freight, voluntary relief packages.—The bill includes \$1,428,000 plus the reappropriation of not to exceed \$397,000 of unobligated balances of previous appropriations for a total of \$1,825,000, the amount of the budget request. The amount allowed is \$775,000 below the appropriation for 1953, taking into consideration the reappropriation of unobligated balances, but is \$56,000 above the amount obligated for the first eleven months of 1953.

Contributions to United Nations Korean Reconstruction Agency.—The bill includes \$50,000,000 for this activity, a reduction of \$20,300,000 in the budget estimates. The amount provided will be adequate for such reconstruction activities as can be undertaken in the more secure rear areas. In the event of cessation of hostilities, basic legislation provides for the making available of such supplies and services as are in the Army pipeline, currently estimated at \$40,750,000, for full scale reconstruction of the Republic.

SUMMARY OF FUNDS AVAILABLE

The following table indicates action taken in connection with unobligated balances and includes action on new obligational authority requested so as to illustrate the totals available by item.

Comparison of Estimates, Unobligated Balances, and Recommendations

Chapter and area	Budget estimate	Recommended	Decrease
Military assistance:			
Europe:			
Appropriation.....	\$2,172,197,910	\$1,860,000,000	\$312,197,910
Unobligated carryover.....	1,371,977,003	1,100,000,000	271,977,003
Subtotal.....	3,544,174,913	2,960,000,000	584,174,913
Near East and Africa:			
Appropriation.....	301,082,120	290,000,000	11,082,120
Unobligated carryover.....	312,713,221	250,000,000	62,713,221
Subtotal.....	613,795,341	540,000,000	73,795,341
Asia and Pacific:			
Appropriation.....	1,059,876,014	985,000,000	74,876,014
Unobligated carryover.....	256,843,411	210,000,000	46,843,411
Subtotal.....	1,316,719,425	1,195,000,000	121,719,425
American Republics:			
Appropriation.....	15,414,010	15,000,000	414,010
Unobligated carryover.....	50,723,170	30,000,000	20,723,170
Subtotal.....	66,137,180	45,000,000	21,137,180
Total, Military Assistance:			
Appropriation.....	3,548,570,054	3,150,000,000	398,570,054
Unobligated carryover.....	1,992,256,805	1,590,000,000	402,256,805
Total.....	5,540,826,859	4,740,000,000	800,826,859
Mutual defense financing:			
Europe:			
Appropriation.....	268,200,000	218,000,000	50,200,000
Unobligated carryover.....	115,700,000	112,549,929	3,150,071
Subtotal.....	383,900,000	330,549,929	53,350,071
Formosa and Indo-China:			
Appropriation.....	84,000,000	84,000,000	-----
Unobligated carryover.....	17,800,000	11,000,000	6,800,000
Subtotal.....	101,800,000	95,000,000	6,800,000
Manufacturing in France:			
Appropriation.....	100,000,000	85,000,000	15,000,000
Unobligated carryover.....	-----	-----	-----
Subtotal.....	100,000,000	85,000,000	15,000,000
Manufacturing in the United Kingdom:			
Appropriation.....	100,000,000	85,000,000	15,000,000
Unobligated carryover.....	-----	-----	-----
Subtotal.....	100,000,000	85,000,000	15,000,000
Indo-China force support:			
Appropriation.....	400,000,000	400,000,000	-----
Unobligated carryover.....	-----	-----	-----
Subtotal.....	400,000,000	400,000,000	-----
Total, mutual defense financing:			
Appropriation.....	952,200,000	872,000,000	80,200,000
Unobligated carryover.....	133,500,000	123,549,929	9,950,071
Total.....	1,085,700,000	995,549,929	90,150,071
Mutual special weapons:			
Appropriation.....	100,000,000	50,000,000	50,000,000
Unobligated carryover.....	-----	-----	-----
Total.....	100,000,000	50,000,000	50,000,000
Technical assistance:			
Near East and Africa:			
Appropriation.....	42,743,499	24,000,000	18,743,499
Unobligated carryover.....	1,100,000	-----	1,100,000
Subtotal.....	43,843,499	24,000,000	19,843,499
Asia and Pacific:			
Appropriation.....	61,278,001	33,000,000	28,278,001
Unobligated carryover.....	800,000	-----	800,000
Subtotal.....	62,078,001	33,000,000	29,078,001

Comparison of Estimates, Unobligated Balances, and Recommendations—Continued

Chapter and area	Budget estimate	Recommended	Decrease
Technical assistance—Continued			
American Republics:			
Appropriation.....	\$24,342,000	\$15,000,000	\$9,342,000
Unobligated carryover.....			
Subtotal.....	24,342,000	15,000,000	9,342,000
Total technical assistance:			
Appropriation.....	128,363,500	72,000,000	56,363,500
Unobligated carryover.....	1,900,000		1,900,000
Total.....	130,263,500	72,000,000	58,263,500
Basic materials development:			
Appropriation.....	32,500,000	23,000,000	9,500,000
Unobligated carryover.....			
Total.....	32,500,000	23,000,000	9,500,000
Special economic assistance:			
Arab states, Israel and Iran:			
Appropriation.....	140,000,000	120,000,000	20,000,000
Unobligated carryover.....			
Subtotal.....	140,000,000	120,000,000	20,000,000
Dependent overseas territories:			
Appropriation.....	24,000,000		24,000,000
Unobligated carryover.....			
Subtotal.....	24,000,000		24,000,000
Palestine refugee program:			
Appropriation.....			
Unobligated carryover.....	44,063,250	44,063,250	
Subtotal.....	44,063,250	44,063,250	
India and Pakistan:			
Appropriation.....	94,400,000	75,000,000	19,400,000
Unobligated carryover.....			
Subtotal.....	94,400,000	75,000,000	19,400,000
Total, special economic assistance:			
Appropriation.....	258,400,000	195,000,000	63,400,000
Unobligated carryovers.....	44,063,250	44,063,250	
Total.....	302,463,250	239,063,250	63,400,000
Multilateral organizations:			
Movement of migrants:			
Appropriation.....	10,000,000	10,000,000	
Unobligated carryover.....			
Subtotal.....	10,000,000	10,000,000	
Multilateral technical cooperation:			
Appropriation.....	13,750,000	5,250,000	8,500,000
Unobligated carryover.....			
Subtotal.....	13,750,000	5,250,000	8,500,000
International children's emergency fund:			
Appropriation.....	9,000,000		9,000,000
Unobligated carryover.....			
Subtotal.....	9,000,000		9,000,000
Ocean freight:			
Appropriation.....	1,428,578	1,428,000	578
Unobligated carryover.....	396,422	397,000	—578
Subtotal.....	1,825,000	1,825,000	
Korean reconstruction agency:			
Appropriation.....	70,300,000	50,000,000	20,300,000
Unobligated carryover.....	700,000		700,000
Subtotal.....	71,000,000	50,000,000	21,000,000
Total multilateral organizations:			
Appropriation.....	104,478,578	66,678,000	37,800,578
Unobligated carryover.....	1,096,422	397,000	699,422
Total.....	105,575,000	67,075,000	38,500,000
Total:			
Appropriation.....	5,124,512,132	4,428,678,000	695,834,132
Unobligated carryover.....	2,172,816,477	1,758,010,179	414,806,298
Grand total.....	7,297,328,609	6,186,688,179	1,110,640,430

MUTUAL SECURITY

Comparative statement of appropriations for 1953, estimates for 1954, and amounts recommended in bill for 1954

Items	Appropriations, 1953	Budget esti- mates, 1954	Revised esti- mates, 1954	Committee bill, 1954	Bill compared with—		
					Appropriations, 1953	Budget esti- mates, 1954	Revised esti- mates, 1954
MILITARY ASSISTANCE							
Europe.....	\$3,047,200,000	\$4,103,610,000	\$2,172,197,910	\$1,860,000,000	—\$1,187,200,000	—\$2,243,610,000	—\$312,197,910
Near East and Africa.....	506,000,000	530,000,000	301,082,120	290,000,000	—216,000,000	—240,000,000	—11,082,120
Asia and Pacific.....	541,700,000	810,000,000	1,059,876,014	985,000,000	+443,300,000	+175,000,000	—74,876,014
American Republics.....	51,700,000	20,100,000	15,414,010	15,000,000	—36,700,000	—5,100,000	—414,010
Total, military assistance.....	4,146,600,000	5,463,710,000	3,548,570,054	3,150,000,000	—996,600,000	—2,313,710,000	—398,570,054
MUTUAL DEFENSE FINANCING							
Europe.....	1,432,800,000	1,141,690,000	268,200,000	218,000,000	—1,214,800,000	—923,690,000	—50,200,000
Formosa and Indochina.....	165,500,000	104,700,000	84,000,000	84,000,000	—81,500,000	—20,700,000	-----
Manufacturing in France.....	-----	-----	100,000,000	85,000,000	+85,000,000	+85,000,000	—15,000,000
Manufacturing in United Kingdom.....	-----	-----	100,000,000	85,000,000	+85,000,000	+85,000,000	—15,000,000
Indochina force support.....	-----	-----	400,000,000	400,000,000	+400,000,000	+400,000,000	-----
Total, mutual defense financing.....	1,598,300,000	1,246,390,000	952,200,000	872,000,000	—726,300,000	—374,390,000	—80,200,000
Mutual special weapons.....	-----	-----	100,000,000	50,000,000	+50,000,000	+50,000,000	—50,000,000
TECHNICAL ASSISTANCE							
Near East and Africa.....	50,800,000	35,000,000	42,743,499	24,000,000	—26,800,000	—11,000,000	—18,743,499
Asia and Pacific.....	104,800,000	76,000,000	61,278,001	33,000,000	—71,800,000	—43,000,000	—28,278,001

¹ Excludes \$125 million transferred by MSA pursuant to law from military assistance to mutual defense financing.

Comparative statement of appropriations for 1953, estimates for 1954, and amounts recommended in bill for 1954—Con.

Items	Appropriations, 1953	Budget esti- mates, 1954	Revised esti- mates, 1954	Committee bill, 1954	Bill compared with—		
					Appropriations, 1953	Budget esti- mates, 1954	Revised esti- mates, 1954
TECHNICAL ASSISTANCE—continued							
American Republics.....	\$20,300,000	\$25,000,000	\$24,342,000	\$15,000,000	—\$5,300,000	—\$10,000,000	—\$9,342,000
Total, technical assistance.....	175,900,000	136,000,000	128,363,500	72,000,000	—103,900,000	—64,000,000	—56,363,500
Basic materials development.....	64,200,000	80,000,000	32,500,000	23,000,000	—41,200,000	—57,000,000	—9,500,000
SPECIAL ECONOMIC ASSISTANCE							
Arab States, Israel and Iran.....	70,200,000	140,000,000	140,000,000	120,000,000	+49,800,000	—20,000,000	—20,000,000
Dependent Overseas Territories—Africa.....			24,000,000				—24,000,000
Palestine Refugee Program.....	60,100,000	65,000,000	(4)	(4)	—60,100,000	—65,000,000	
India and Pakistan.....		220,000,000	94,400,000	75,000,000	+75,000,000	—145,000,000	—19,400,000
Total, special economic assistance.....	130,300,000	425,000,000	258,400,000	195,000,000	+64,700,000	—230,000,000	—63,400,000
MULTILATERAL ORGANIZATIONS							
Movement of migrants.....	9,200,000	10,000,000	10,000,000	10,000,000	+800,000		
Multilateral technical cooperation.....	9,200,000	16,000,000	13,750,000	5,250,000	—3,950,000	—10,750,000	—8,500,000
International children's emergency fund.....	6,700,000		9,000,000		—6,700,000		—9,000,000
Ocean freight.....	2,600,000	1,800,000	1,423,578	1,423,000	—1,172,000	—372,000	—578
Korean Reconstruction Agency.....		71,100,000	70,300,000	50,000,000	+50,000,000	—21,100,000	—20,300,000
Total, multilateral organizations.....	27,700,000	98,900,000	104,478,578	66,678,000	+48,978,000	—32,222,000	—37,800,578
OTHER							
Dependent overseas territories.....		30,000,000				—30,000,000	
Spain.....		120,000,000				—120,000,000	
Total.....	6,143,000,000	7,600,000,000	5,124,512,132	4,423,678,000	—1,714,322,000	—3,171,322,000	—695,834,132

Special estimates for calendar year 1953:

International children's emergency fund.....	-----	9, 814, 333	9, 814, 333	5, 000, 000	+5, 000, 000	-4, 814, 333	-4, 814, 333
Multilateral technical assistance.....	-----	4, 595, 812	4, 595, 812	-----	-----	-4, 595, 812	-4, 595, 812
Total, Mutual Security.....	2 6, 143, 000, 000	3 7, 614, 410, 145	5, 138, 922, 277	4, 433, 678, 000	-1, 709, 322, 000	-3, 180, 732, 145	-705, 244, 277

2 Includes \$141.1 million in local currency transactions.

3 Includes \$119 million in local currency transactions.

4 Unobligated balance of \$44,063,250 to be carried forward for use in fiscal year 1954. No new funds requested.



Union Calendar No. 306

83^D CONGRESS
1ST SESSION

H. R. 6391

[Report No. 880]

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 1953

Mr. TABER, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for Mutual
5 Security for the fiscal year ending June 30, 1954, namely:

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1951, Public Law 165, approved October 10, 1951, as amended, as follows:

Military assistance, Europe: For assistance authorized by sections 540 and 548 for the purpose of section 101 (a) (1), \$1,860,000,000, together with not to exceed \$1,100,000,000 of the unobligated balances of appropriations heretofore made for military assistance, Europe, which balances shall be consolidated with this appropriation;

Military assistance, Near East and Africa: For assistance authorized by sections 540 and 548 for the purpose of section 201, \$240,000,000; and in addition, for assistance authorized by section 202 (b), \$50,000,000; together with not to exceed \$250,000,000 of the unobligated balances of appropriations heretofore made for military assistance, Near East and Africa, which balances shall be consolidated with this appropriation;

Military and other assistance, Asia and the Pacific: For assistance authorized by sections 540 and 548 for the purpose of section 301, \$985,000,000, together with not to exceed \$210,000,000 of the unobligated balances of appropriations heretofore made for military and other assistance,

1 Asia and the Pacific, which balances shall be consolidated
2 with this appropriation;

3 Military assistance, American Republics: For assistance
4 authorized by sections 540 and 548 for the purpose of sec-
5 tion 401, \$15,000,000, together with not to exceed
6 \$30,000,000 of the unobligated balances of appropriations
7 heretofore made for military assistance, American Republics,
8 which balances shall be consolidated with this appropriation;

9 Mutual defense financing, defense support, economic and
10 technical assistance, Europe: For assistance authorized by
11 sections 541 and 548 for the purpose of section 101 (a) (2),
12 \$218,000,000, together with the unobligated balances of
13 appropriations heretofore made for assistance to Spain, and
14 not to exceed \$37,500,000 of the unobligated balances of
15 appropriations heretofore made available for aircraft produc-
16 tion in Italy;

17 Mutual defense financing, defense support, economic and
18 technical assistance, Formosa and the Associated States of
19 Cambodia, Laos, and Vietnam: For assistance authorized by
20 section 541 for the purpose of section 302 (a), \$84,000,000,
21 together with not to exceed \$11,000,000 of the unobligated
22 balances of appropriations heretofore made for this purpose,
23 which balances shall be consolidated with this appropriation;

24 Mutual defense financing, manufacturing in France: For
25 assistance authorized by section 102, \$85,000,000;

1 Mutual defense financing, manufacturing in the United
2 Kingdom: For assistance authorized by section 102, \$85,-
3 000,000;

4 Mutual defense financing, for equipment, materials and
5 services for forces in the Associated States of Cambodia,
6 Laos, and Vietnam: For assistance authorized by section
7 304, \$400,000,000;

8 Mutual special weapons planning: For assistance au-
9 thorized by section 542, \$50,000,000;

10 Economic and technical assistance, Near East and Africa:
11 For assistance authorized by section 543 for the purpose of
12 section 203, \$24,000,000;

13 Economic and technical assistance, defense support, Asia
14 and the Pacific, other than Formosa and the Associated
15 States of Cambodia, Laos, and Vietnam: For assistance au-
16 thorized by section 543 for the purpose of section 302 (a),
17 \$33,000,000;

18 Technical assistance, American Republics and non-self-
19 governing territories of the Western Hemisphere: For as-
20 sistance authorized by section 543 for the purpose of section
21 402, \$15,000,000;

22 Basic materials development: For assistance authorized
23 by sections 514 and 548, \$23,000,000;

24 Special economic assistance, Near East and Africa: For
25 assistance authorized by section 206, \$120,000,000;

1 Palestine refugee program: Not to exceed \$44,063,250
2 of the unobligated balances of appropriations heretofore made
3 for this purpose are hereby continued available during the
4 fiscal year 1954;

5 Special economic assistance, India and Pakistan: For
6 assistance authorized by section 302 (b), \$75,000,000;

7 Movement of migrants: For contributions authorized by
8 section 534, \$10,000,000;

9 Multilateral technical cooperation: For contributions au-
10 thorized by section 544 during the fiscal year 1954 under
11 section 404 (b) of the Act for International Development,
12 \$5,250,000;

13 Contributions to United Nations International Children's
14 Emergency Fund: For an additional amount for "Contribu-
15 tions to United Nations International Children's Emergency
16 Fund" for the calendar year 1953, \$5,000,000;

17 Ocean freight, voluntary relief shipments: For payments
18 authorized by section 535, \$1,428,000, together with not
19 to exceed \$397,000 of the unobligated balances heretofore
20 appropriated for this purpose, which balances shall be con-
21 solidated with this appropriation;

22 Contributions to United Nations Korean Reconstruction
23 Agency: For making contributions authorized by section
24 303 (a), \$50,000,000.

GENERAL PROVISIONS

2 Appropriations in this Act for economic or technical
3 assistance and allocations from any appropriations to the
4 Director for Mutual Security, or the Mutual Security Agency,
5 or the Department of State, shall be available, without limita-
6 tion on any authority conferred by the Mutual Security Act
7 of 1951, as amended, or any Act continued in effect thereby,
8 for rents in the District of Columbia; expenses of attendance
9 at meetings concerned with the purposes of such appropria-
10 tions; employment of aliens, by contract, for services abroad;
11 examination of estimates of appropriations in the field; main-
12 tenance, operation, and hire of aircraft; hire of passenger
13 motor vehicles and, in addition, passenger motor vehicles
14 abroad may be exchanged or sold and replaced by an equal
15 number of such vehicles; transportation of privately owned
16 automobiles; entertainment within the United States (not to
17 exceed \$15,000) ; exchange of funds without regard to section
18 3651 of the Revised Statutes (31 U. S. C. 543) ; loss by
19 exchange; expenditures (not to exceed \$50,000) of a
20 confidential character other than entertainment, provided
21 that a certificate of the amount of each such expenditure, the
22 nature of which it is considered inadvisable to specify, shall
23 be made by the Director or Deputy Director of Mutual
24 Security, and every such certificate shall be deemed a suffi-
25 cient voucher for the amount therein specified; insurance of

1 official motor vehicles in foreign countries; rental of quarters
2 outside the continental limits of the United States to house
3 employees of the United States Government (without regard
4 to section 322 of the Act of June 30, 1932, as amended
5 (40 U. S. C. 278a)), lease, necessary repairs and alterations
6 to quarters; actual expenses of preparing and transporting to
7 their former homes in the United States or elsewhere the
8 remains of persons or members of the families of persons
9 who may die while such persons are away from their homes
10 participating in activities under the Mutual Security Act of
11 1951, as amended; purchase of uniforms; ice and drinking
12 water for use abroad; and services of commissioned officers of
13 the Public Health Service and of the Coast and Geodetic
14 Survey, and for the purposes of providing such services
15 the Public Health Service may appoint not to exceed twenty
16 officers in the Regular Corps to grades above that of senior
17 assistant, but not above that of director, as otherwise au-
18 thorized in accordance with section 711 of the Act of July 1,
19 1944, as amended (42 U. S. C. 211a), and the Coast and
20 Geodetic Survey may appoint for such purposes not to exceed
21 twenty commissioned officers in addition to those otherwise
22 authorized: *Provided*, That not to exceed \$57,500,000 shall
23 be available for administrative expenses of the departments
24 and agencies concerned with the administration of the pro-
25 grams provided for herein, and no part of such amount shall

1 be used to pay the salary of any civilian employee at a rate
2 greater than that paid by the State Department for compara-
3 ble work or services in the same area: *Provided further,*
4 That none of the funds provided herein shall be used after
5 September 30, 1953, to pay any employee a basic salary of
6 \$12,000 or more per annum, except that this prohibition
7 shall not apply to two-thirds of the number of employees
8 being paid at the basic salary of \$12,000 or more per annum
9 on June 30, 1953: *Provided further,* That appropriations
10 made under this Act shall be available for expenses in connec-
11 tion with travel of personnel outside the continental United
12 States, including travel of dependents and transportation of
13 personal effects, household goods, or automobiles of such
14 personnel when any part of such travel or transportation be-
15 gins in the current fiscal year pursuant to travel orders issued
16 in that fiscal year, notwithstanding the fact that such travel
17 or transportation may not be completed during the current
18 fiscal year: *Provided further,* That no part of any appro-
19 priation contained in this Act shall be available for expense
20 of transportation, packing, crating, temporary storage, dray-
21 age, and unpacking of household goods and personal effects
22 in excess of an average of five thousand pounds net but not
23 exceeding nine thousand pounds net in any one shipment,
24 but the limitations imposed herein shall not be applicable in
25 the case of employees transferred to or serving in stations

1 outside the continental United States under orders relieving
2 them from a duty station within the United States prior
3 to August 1, 1953.

4 No part of any appropriation contained in this Act shall
5 be used to pay the salary or wages of any person who en-
6 gages in a strike against the Government of the United
7 States or who is a member of an organization of Govern-
8 ment employees that asserts the right to strike against the
9 Government of the United States, or who advocates, or is
10 a member of an organization that advocates, the overthrow
11 of the Government of the United States by force or violence:
12 *Provided*, That for the purposes hereof an affidavit shall be
13 considered prima facie evidence that the person making
14 the affidavit has not contrary to the provisions of this para-
15 graph engaged in a strike against the Government of the
16 United States, is not a member of an organization of Govern-
17 ment employees that asserts the right to strike against the
18 Government of the United States, or that such person does
19 not advocate, and is not a member of an organization that
20 advocates, the overthrow of the Government of the United
21 States by force or violence: *Provided further*, That any
22 person who engages in a strike against the Government of
23 the United States or who is a member of an organization of
24 Government employees that asserts the right to strike against
25 the Government of the United States, or who advocates, or

1 who is a member of an organization that advocates, the
2 overthrow of the Government of the United States by force
3 or violence and accepts employment the salary or wages
4 for which are paid from any appropriation or fund contained
5 in this or any other Act shall be guilty of a felony and,
6 upon conviction, shall be fined not more than \$1,000 or
7 imprisoned for not more than one year, or both: *Provided*
8 *further*, That the above penalty clause shall be in addition to,
9 and not in substitution for, any other provisions of exist-
10 ing law.

11 This Act may be cited as the "Mutual Security Appro-
12 priation Act, 1954".

83d CONGRESS
1st Session

H. R. 6391

[Report No. 880]

A BILL

Making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

By Mr. TABER

JULY 18, 1953

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 23, 1953
For actions of July 22, 1953
83rd-1st, No. 137

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HIGHLIGHTS: House received conference report on Agricultural appropriation bill. House passed foreign-aid appropriation bill. House committee reported orchard-loans bill. House passed grain-storage facilities tax-amortization bill. Senate debated defense appropriation bill. Senate committee tentatively agreed to report famine-relief bill. Senate committee ordered reported customs simplification bill with imported cotton standards amendment.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1954. House received the conference report on this bill, H. R. 5227 (pp. 9708-10). Attached to this Digest are statements pertaining to this measure.

APPROPRIATIONS. Passed, 288-111, with amendment, H. R. 6391, the mutual security appropriation bill for 1954 (pp. 9712-47).

Agreed to an amendment by Rep. Vorys increasing by \$5 million the funds for technical assistance to Latin American countries (pp. 9737-8).

Rejected the following amendments:

By Rep. Judd to increase by \$12 million the funds for technical assistance to the Near East and Africa (pp. 9733-5).

By Rep. Judd to increase by \$19 million funds for technical assistance and defense support for Asia and the Pacific (pp. 9735-7).

By Rep. Javits to increase by \$7.5 million the funds for multilateral technical assistance (pp. 9739-40).

By Rep. Coudert to put a \$5.5 billion limitation on the 1954 expenditures of the Mutual Security Administration (pp. 9741-5).

By Rep. Budge to hold the 1954 obligations to the 1953 expenditures (p. 9745).

As passed this bill provides appropriations of \$4,433,678,000 (\$705,224,277 below the revised estimates) plus a \$1,758,000,000 of unobligated carryover for 1954, a total available as of July 1, of \$6,191,000,000.

House conferees were appointed on H. R. 4828, the Interior Department appropriation bill for 1954 (p. 9710). Senate conferees were appointed June 26.

3. ORCHARD LOANS. The Agriculture Committee reported without amendment H. R. 4158, to extend for 5 years the Secretary's authority to make loans to orchardists (H. Rept. 898) (p. 9752).
 4. WATER COMPACT. The Interior and Insular Affairs Committee reported without amendment S. 1197, granting consent of Congress to a water compact between Nebr., Wyo., and S. Dak. (H. Rept. 896) (p. 9752).
 5. RUBBER. House conferees were appointed on H. R. 5728, to authorize disposal of Government-owned rubber plants (p. 9747).
 6. TAXATION; GRAIN STORAGE FACILITIES. Passed without amendment H. R. 6426, to amend the Internal Revenue Code to extend the time during which certain provisions relating to income and estate taxes shall apply (pp. 9704-8). Rep. Martin Iowa, spoke favoring section 206, which would allow an income-tax deduction for the amortization of farm-storage facilities built in calendar year 1953, and in the 3 succeeding calendar years (p. 9708.)
 7. FOOD STANDARDS. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) H. R. 6434, to amend the Food and Drug Act, relating to food standards (p. D755).
 8. CLAIMS. Received this Department's report of tort claims paid for the fiscal year ending June 30, 1953; to the Judiciary Committee (p. 9752).
 9. LEGISLATIVE PROGRAM. The "Daily Digest" states the House will act on the conference report on the agricultural appropriation bill Thursday, July 23 (p. D753).
- SENATE
10. APPROPRIATIONS. Debated H. R. 5969, the Defense appropriation bill for 1954 (pp. 9760-828).
 11. FAMINE RELIEF; FARM SURPLUS. The "Daily Digest" states: the Agriculture and Forestry Committee "tentatively agreed to report with amendments S. 2249, to make agricultural commodities available to friendly countries to assist in famine and other urgent relief (special subcommittee was appointed to draft language for amendments approved today)"; and "appointed a subcommittee to draft a bill for the disposal of surplus agricultural commodities" (p. D752).
 12. FOREIGN TRADE. The Finance Committee ordered reported (but did not actually report) H. R. 5877, the customs simplification bill. The "Daily Digest" states that the bill as ordered reported includes an amendment to allow the Secretary of Treasury to adopt the standards for length of staple established by USDA on imported cotton (p. D752).
 13. CLAIMS. Received from this Department a report on tort claims paid by USDA for the period July 1, 1952 to June 30, 1953 (p. 9755).
 14. TREATIES. Sen. Knowland submitted an amendment in the form of a substitute to S. J. Res. 1, proposing a constitutional amendment to limit the treaty-making power, and Sen. Wiley inserted the President's statement and his own discussing this amendment (pp. 9757-8).
 15. DROUGHT RELIEF. Sen. Daniel discussed the drought situation in the Southwest and the need to develop better programs to combat such situations on the basis of joint Federal-State effort (pp. 9829-30).

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDERS GRANTED

Mr. BENDER asked and was given permission to address the House today for 1 hour, following any special orders heretofore entered.

Mr. HOFFMAN of Michigan asked and was given permission to address the House on tomorrow for 20 minutes, following any special orders heretofore entered.

LEGISLATIVE PROGRAM

(Mr. HALLECK asked and was given permission to address the House for 1 minute to make an announcement.)

Mr. HALLECK. Mr. Speaker, we propose immediately to go into general debate on the MSA appropriation bill, on which time has already been fixed at 3 hours. We will begin the reading of the bill as soon as general debate is concluded, and I express the hope that the measure may be concluded this evening within a reasonable hour. Of course, there will undoubtedly be some amendments to reduce it and some amendments to increase it, but my impression at the moment is that probably the bill will go through pretty much as it has been reported by the committee.

In connection with that announcement, I am informed that the Appropriations Committee in the other body is beginning the markup process on this particular appropriation bill in the morning. For that reason also I think it would be desirable that we try to conclude the consideration of this bill this evening.

Mr. Speaker, beyond that I want to say first of all that as far as I am concerned I have had some recent conversations with some of the people on the other side, and I am not going to be a defeatist about our getting an adjournment by August 1. Obviously, there are numerous measures that should be considered. But I am quite convinced, if we have the proper cooperation of committees, business can proceed in such fashion that the various measures can be acted upon and will be acted upon. They will be voted either up or down in time for us to get through.

I might say that I have talked to some of the ranking members of the Committee on the Judiciary, and they are hopeful that on Thursday next the emergency refugee immigration bill will be voted upon.

Likewise, I know the hope has been expressed that the hearings in the Committee on Post Office and Civil Service, on the postal rate increase bill, which hearings started a week ago last Monday, may be concluded by the end of this week.

The various measures will come along. The appropriation bills are going to conference. We acted on two or three conference reports yesterday and, as I say, I think we should be able to make an early adjournment.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. RAYBURN. I want to assure the gentleman of my full cooperation. I have always told him and our beloved Speaker that any time I had the opportunity to adjourn a Republican Congress I was happy to do so.

Mr. HALLECK. Mr. Speaker, of course the gentleman knows that I appreciate that remark, and when his party happens to be in power I reciprocate the compliment.

In any event, I think very good progress is being made.

Otherwise as to the program: There is a bill out of the Ways and Means Committee, known as the second Simpson bill. I have discussed the matter with the Speaker and with the author of that measure. If the measure we are about to take up is concluded this evening, as I hope it will be, we shall bring on the Simpson bill tomorrow. Of course, I do not want to offer that as a stimulation for delaying tactics today, because at whatever time we do finish with the measure the bill I have just mentioned will be on a high priority list.

Also, we have a bill out of the Public Works Committee that has to do with lease-purchase, and a bill out of the Committee on Interstate and Foreign Commerce to amend the Railroad Retirement Act.

There are one or two other measures that I am quite sure we can dispose of this week, along with the conference reports that we hope will be coming before us for action.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. RAYBURN. The gentleman mentions bringing up the Simpson bill tomorrow. The reciprocal trade extension bill is not out of the way yet, is it?

Mr. HALLECK. No; but that is in conference and I think it will be worked out. I might say to the gentleman from Texas that I certainly hope it will be, because I supported that measure, as did a clear majority here. There is one matter in controversy that will have to be adjusted, but I might say to the gentleman that I believe that will be worked out.

I said on yesterday that I think the conference on the Continental Shelf legislation will be worked out. As a matter of fact, I do not see anything in any of those conference actions, either on appropriation bills or other legislation, that would indicate that we will have any extreme difficulty.

Mr. RAYBURN. If the conferees will meet.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. TABER. I thoroughly agree with what the gentleman has said about finishing the mutual security appropriation this afternoon. I am going to work to that end to the best of my ability. I

think the gentleman from Virginia [Mr. GARY] feels the same way. I want to ask one thing: We hope to bring out on Friday noon the Southwest drought relief appropriation bill. I wonder whether it would be in order, if I may have the attention of the minority leader, to ask unanimous consent that it might be taken up when it is reported out on Friday.

Mr. RAYBURN. The truth of the business is the Secretary of Agriculture could use some of the \$472 million that he has at his disposal. He can use 25 percent of that for any one purpose. That would make \$118 million that he could use for this drought disaster relief. So there is no reason for an appropriation. I do not understand all this running around here and talking about an appropriation for drought relief when he has all that money set aside up to now for these 5 or 6 States in the Southwest—the magnificent sum of \$8 million. That is what has been done. But, if it cannot be done in that way, and the gentleman has some scheme which will help the people in the drought stricken areas, he certainly has my consent to bring the matter up.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. McCORMACK. Assuming the emergency bill in relation to the refugees does not come up next week, and the other bill in relation to the postal increases, what would be the situation then?

Mr. HALLECK. When the gentleman says what will be the situation if they do not come out—if they are voted down in committee that is one situation. If the matters are not voted on in committee, that will be another situation. I think in respect to the latter situation, the statement which was made by the Speaker and the acting majority leader of the other body last Monday at the White House conference is a sufficient answer to what the result will be. If I remember it, and I do not remember the exact words, they said we are striving for adjournment on July 31 or August 1. These measures are before us for consideration. It is deemed desirable that they be acted upon. I think also it was said there was no other target date other than July 31 or August 1. But, of course, if something interfered to prevent fair consideration of some of these measures, then necessarily, if I understood the announcement correctly, it would mean we would not adjourn on August 1.

Mr. McCORMACK. There is a great deal of opposition, I might say to the gentleman, as he knows, to the second Simpson bill. Of course, if the rule was defeated that would save a lot of time.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BROOKS of Louisiana. I would like to ask the majority leader whether or not he can give us any idea as to the time when the conference report on the Continental Shelf bill may come before the House.

Mr. HALLECK. As I understand it, the conferees are meeting again this afternoon on that bill, and I hope they will come to an agreement this afternoon. Of course, conference reports are in order at any time.

I think, Mr. Speaker, I ought finally to say all Members ought to be put on notice that we may well have a Saturday session.

MUTUAL SECURITY ADMINISTRATION APPROPRIATION BILL

Mr. TABER. I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes, with Mr. ALLEN of Illinois in the chair.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement entered into yesterday, the gentleman from New York [Mr. TABER] is recognized for 1½ hours, and the gentleman from Virginia [Mr. GARY] for 1½ hours.

The Chair now recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the Committee on Appropriations brings to you today the appropriation for the Mutual Security Agency, providing, in total, \$4,428,000,000 plus \$1,758,000,000 of unobligated carryovers, a total availability as of the 1st of July of \$6,186,000,000.

There is provided, overall, for military assistance \$4,740,000,000, distributed in 4 areas. The large item is to Europe, \$2,960,000,000; the second item, the Near East and Africa, \$540 million; Asia and Pacific, \$1,195,000,000, and the American Republics, \$45 million.

For mutual-defense financing, \$995 million is provided, distributed through different areas of the world.

For mutual special weapons, \$50 million is included.

For technical assistance, overall, \$72 million is included.

The various other items, with reference to which I will be glad to answer any questions, I will not refer to in detail at this time. If you will get the report and look on pages 9 and 10, you will see a complete breakdown of all of the appropriations that are carried in the bill, including, separately, new cash and reappropriation of unobligated balances.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes, I yield to the gentleman from New York.

Mr. KEATING. I do not want to interfere with the continuity of the gentleman's presentation, but unless he has some objection at this point, I would appreciate it if he would respond to a few questions with reference to the table which he placed in the RECORD last evening on page 9603 of the RECORD.

Would it be agreeable?

Mr. TABER. It would be agreeable at this time.

Mr. KEATING. According to that table, if I understand it—and the purpose of my inquiry is to determine whether I do or not—under "Military Assistance for Europe" there was \$1.9 billion, roughly, actually obligated this last year and there is recommended in the bill as now before us \$2,960,000,000 for the coming fiscal year, which is 148 percent of the amount actually obligated last year for military assistance in Europe.

Mr. TABER. The gentleman is correct.

Mr. KEATING. In the last column it seems to me these figures are very significant and of considerable importance in this debate—in the last column which is headed "Percent 1954 to the Total Obligated for 1953" there is a dollar sign. That dollar sign is a misprint.

Mr. TABER. The dollar sign does not belong there.

Mr. KEATING. When we come to the end—and practically without going through all these tables—the figures are comparable except that the percentage is greater this year than last; and coming down to the subtotal, the total obligated last year for military assistance was \$2,590,000,000; and recommended in this bill for a similar purpose this year even as reduced by the Committee on Appropriations it is \$4,740,000,000.

Mr. TABER. That is correct.

Mr. KEATING. Without going into detail, the figures in the other columns are comparable. But on this point when we come under the heading "Mutual Defense Financing, Defense Support, Economic and Technical Assistance" there was obligated last year \$1,718,000,000, and the amount in the bill this year is \$1,090,000,000. Perhaps the gentleman at this point would like to explain the reason for that reduction.

Mr. TABER. It was not a reduction that was made primarily by the committee. The picture is this: The budget estimate and the amount authorized to be appropriated by the bill that came from the Committee on Foreign Affairs of the House and the Foreign Relations Committee in the other body, authorized an appropriation of approximately \$1,085,700,000. And the cut that we made on that whole item was only \$90 million; and \$50 million of that was to bring the general figure for Europe down to the level that the House Foreign Affairs Committee and the House of Representatives itself had in the bill as it went through the House.

The other items are smaller and there is no cut on what we regarded as a very critical item, the support for Indochina force. That \$400 million is the biggest single item involved.

Mr. KEATING. Is technical assistance what we sometimes refer to as point 4?

Mr. TABER. That is what it is called; yes.

Mr. KEATING. And in that what is the reduction below the budget estimate?

Mr. TABER. About \$58,263,000. The reason for that reduction was that the organization had available to it funds to employ 2,600 technicians in 1953 to operate it. As of May 31, they had only been able to staff out of that number according to one set of figures 1,760, and according to another from the same outfit 1,500. They were asking for authority to employ over 2,700 in 1954. The committee did not feel it was proper to provide a lot of funds that, according to their own story, they could not intelligently or effectively expect to be obligated by that agency.

Mr. KEATING. The gentleman means it requested authority for funds to hire a thousand more people than were on the rolls previously?

Mr. TABER. One thousand more than were on the rolls on last May 31. They told us they had been unable to bring their force up to anywhere near the planned program, that they had only been able to get about three-fifths of what the funds available to them would permit. With that showing we did not see how we could go ahead with an appropriation that had no basis in fact behind it. We had a lot of doubt about a number of things in connection with it. For instance, we found that there were several separate agencies doing the same job. This means that they would have four sets of bosses where one could do the job. We did not like that way of doing business, frankly.

Mr. KEATING. I want to ask one other question in regard to that table. There is a heading "Special Economic Assistance." If I understand that correctly it means truly economic aid other than military aid to countries that are not calling their economic aid defense support. The amount obligated last year was \$86 million. The amount in this bill for this year is \$239 million. What countries are those and what does that item cover?

Mr. JUDD. The Arab States, Israel, Iran, India, and Pakistan.

Mr. KEATING. They are then getting, if I understand it correctly, under this bill 277 percent of the amount which was obligated for the same purpose to those countries last year?

Mr. TABER. That is correct.

Mr. JAVITS. Mr. Chairman, will the gentleman yield? I do not think that is correct, if the gentleman will pardon me. These amounts which show increases of 277 percent include no comparison with what India and Pakistan got in 1953 because it was then included in technical assistance; hence you have in this chart an enormous percentage increase for special economic assistance, but it does not reflect the exact situation and it is not comparable 1954 with 1953.

Mr. TABER. That might be a mistake in submission of the comparable figures

by the agency. If there is a mistake there that is what it is.

Mr. JUDD. It is not a mistake. It is due to the insistence of the Foreign Affairs Committee that this time they break down the budget estimates for these areas that heretofore have come under one head—"Technical assistance." As the gentleman will remember, last year they put in a request for \$150 million for point 4 aid. On looking at it carefully, only about twelve or thirteen million dollars was stricken for technical assistance. The rest of it was for economic aid disguised as technical assistance. This year we said, "Bring each type of aid in separately and justify each on its own merit." That is the reason why the figures under the headings this year do not coincide with those of last year.

Mr. TABER. The figures are just simply not comparable, that is all.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. On that point, if you take away some of the dollars that were reflected in the percentages under one of these headings, the transfer would automatically mean other percentages would go up. All of the percentages are higher for fiscal 1954 than 1953. It would not make any difference in the end result.

Mr. JAVITS. Mr. Chairman, if the gentleman will yield, I do not think that is quite so because the last percentage shown on here, if the Members will refer to the table, is 63 percent for mutual-defense financing, defense support, and technical assistance, but that includes \$400 million for the Indochinese war, so it would make a very material difference in the percentages if you straightened out what was really new and had no place in the previous bill compared to the present bill.

Mr. TABER. Of course, the authorization and the budget estimate, both, were very much less than the availability for last year. We did not have anything presented to us beyond the budget estimate. Frankly, we did not go into that; we did not have any opportunity.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I notice in the report on page 7 it says:

The funds provided for India will permit an extension of the community-development program now underway in that country, together with a continuation of the digging of numerous wells for irrigation purposes throughout the country. Nearly half of the funds involve the construction of dams for irrigation, flood control, and power purposes. Funds are also included for distribution of large quantities of fertilizer and for the importation of steel, iron, and tools for agriculture purposes.

I notice that the allotment to India and Pakistan is to be \$75 million. Half of that would be \$37,500,000. I presume the gentleman recalls that on yesterday the House voted down a \$2,200,000 flood-control appropriation for the Missouri River between Omaha, Nebr., and Sioux City, Iowa. My question is: How can

we justify \$37,500,000 to India for flood-control purposes and deny our own people \$2,200,000 to prevent soil erosion and the wasting away of valuable farm land here in America?

Mr. TABER. The only basis for this operation as far as I can see is the need to preserve good relations in an area of the world where there is a very critical situation at the present time and where perhaps we have to look at things otherwise than we ordinarily would. The policy back of it is that India should be encouraged, insofar as possible, to cast her lot with the Western Nations rather than with Russia. Frankly it may be asking more of us than should be the case, but it is probably one of the things that we cannot get away from doing in some way or another.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. What excuse is there for giving the French \$400 million to fight the Indochinese who have never done anything to us? There must be some excuse for it.

Mr. TABER. Well, the Indochinese, insofar as they are fighting the Communist group in Moscow, are thereby carrying the load of the free world in keeping a very considerable number of Communist troops occupied. Frankly, I believe that, as in the case of Korea, the effective Communist troops there are mostly Chinese and some natives of Indochina.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. KERSTEN of Wisconsin. As I understand it, with reference to the aid to Europe, the overall figure of the European allotment contains the so-called escapee program of \$100 million. As I understand it, that has not been disturbed in anyway; is that correct?

Mr. TABER. The escapee program?

Mr. KERSTEN of Wisconsin. Yes; \$100 million from the overall European amount.

Mr. TABER. I do not know anything about a figure of that size.

Mr. VORYS. Mr. Chairman, will the gentleman yield to me?

Mr. TABER. I yield.

Mr. VORYS. May I ask the gentleman this question, whether the Appropriations Committee in any part of their bill has inserted any restrictions on the transfer authorizations in the authorization bill?

Mr. TABER. We have not.

Mr. VORYS. In the authorization bill there was a provision to authorize the President, if he so desired, to use \$100 million in an escapee program. I think the point is this, that the appropriation bill in no way tampers with that authorization which has been granted.

Mr. TABER. It does not.

Mr. KERSTEN of Wisconsin. I thank the gentleman.

Mr. KEATING. Mr. Chairman, will the gentleman yield to me?

Mr. TABER. I yield.

Mr. KEATING. I am referring to the table on page 9603 of the Record in which

there is a column headed "Appropriated," and the next column is "Recommended for 1954." The figures to which I referred in my previous questioning had to do with the column "Recommended for 1954." What are the figures in the column "Appropriated"? Are they the ones in this bill?

Mr. TABER. No; "Appropriated" means new cash. That column should be new cash. The next column, "Unobligated Balance" has to be added to the \$4,433,000,000 to get the overall total of \$6,191,000,000.

Mr. KEATING. The \$6,191,000,000 is the overall total in the bill before us now which is available both in new cash and unobligated balance?

Mr. TABER. That is right.

Mr. KEATING. And that is spoken of in the next column as being 138 percent—of something. What is it 138 percent of?

Mr. TABER. It is 138 percent of the figure at the bottom of the page in the third column, \$4,463,200,000.

Mr. KEATING. In other words, it is 138 percent of the amount actually obligated for the same purposes last year?

Mr. TABER. For all purposes.

Mr. KEATING. For all purposes last year?

Mr. TABER. That is right.

Mr. KEATING. I thank the gentleman very much. I think that table is very valuable to us and should be commended to the attention of the membership.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CURTIS of Massachusetts. On that same table, on page 9603, is it not a fact that the column there headed "Appropriated" includes figures in the present bill?

Mr. TABER. That is correct.

Mr. CURTIS of Massachusetts. In other words, this column refers to the amounts which we are now appropriating?

Mr. TABER. That is the idea; yes.

Mr. Chairman, I think the discussion I have had with these gentlemen has pretty well covered the situation.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DURHAM. I congratulate the chairman of the committee and also the other members of the committee. I think they have done a fine job. I hope the House sustains the provisions that they have made and the funds provided in this bill. There is one question I would like to ask about the \$50 million here for special weapons. Does the committee have any information as to what that money will be used for?

Mr. TABER. The only thing that it would be used for that I know of is to buy certain foreign military items which would be used to help the people to whom we are providing military assistance.

Mr. DURHAM. It does not in any way, then, go to purchase or contract for special weapons here in America?

Mr. TABER. No; this is a foreign deal.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. VORYS. On that point, is it not a fact that there is a NATO committee which is to report in August on this special-weapons program which is not to include any atomic weapons, and this \$50 million is appropriated really in advance of and in support of a program that has not yet been worked out but the purpose of which is to give to our European allies the advantages of new and special weapons? It is a program that has not as yet been approved by NATO itself.

Mr. DURHAM. Then it is more or less of a research and development program instead of a purchase program; is that correct?

Mr. TABER. It is not a general purchasing program. On the other hand, there are funds in the military items in different places. For instance, there is an item of \$37,500,000 which is reappropriated for use with reference to the production of planes. There is an item here to cover a certain amount of money for the construction of a certain type of new plane that the British are making.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GARY. "Is it not a fact that this money is to be used to help some of the foreign countries to develop special weapons, which they are now working on. But according to the information that was given to our committee, the entire program was rather vague and it was for that reason that we reduced the funds from \$100 million, as requested, to \$50 million."

Mr. TABER. That is correct. The item was really pretty vague and that was the reason we took that position.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. VORYS. I have been comparing the bill reported by the Appropriation Committee with the authorization bill which came from the Committee on Foreign Affairs, and which passed the House. As I figure it, the authorization bill was \$4,998,000,000 in new money and the appropriation bill is \$4,433,000,000 or a difference of about \$565 million in new money between the ceilings in the authorization bill and the funds provided in this bill. Is that not correct?

Mr. TABER. I believe that is correct.

Mr. VORYS. The point I wanted to make is this, that the conference report was \$159,500,000 additional authorization above the amount provided in the original House authorization.

Mr. TABER. That is correct.

Mr. VORYS. So that the difference in new money between the authorization ceiling and the appropriation is \$565 million.

Mr. TABER. That is correct.

Mr. VORYS. Then, as to the carry-over, which explains the rest of the difference, about \$400 million more, that is a question of what you mean by "obligations," and whether the Congress should attempt to control unobligated funds or leave them to be spent. That is a different sort of issue from the question as to new money, where the difference between the ceiling and the present bill is considered.

Mr. TABER. If the Congress is going to reappropriate funds, in my opinion it is absolutely necessary that we appropriate the unobligated balances specifically, rather than in general language. That is the only way you can keep track of what you are doing. I do not believe that we should attempt to appropriate money and not know how much we are appropriating. I think this is a great improvement over past practices.

Mr. VORYS. Is it not a fact that we have at this time a far more accurate and honest accounting of obligated and unobligated funds than we have had for a number of years?

Mr. TABER. I think that Mr. Stassen has done a good job in getting the jump on things over there and is getting it in shape so that they could comply with the law in their operations, rather than attempting to hide the amount of the unobligated balances, as we found they were doing to the tune of \$800 million a year ago.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JONAS of North Carolina. Will the gentleman refer to page 8 of the report, to the subtitle, "United Nations International Children's Emergency Fund." Do I correctly understand that the \$5 million included in the bill for this purpose are funds to carry through to the end of the calendar year 1953 and not the fiscal year, which will run until next June?

Mr. TABER. That is correct. That is what it says. The agency has not been established in the United Nations for the calendar year 1954, and we did not feel that we should go further than the period for which it had been established.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. The agency operates on a calendar year rather than a fiscal year basis. For that reason this appropriation relates to the agency's calendar year.

Mr. JONAS of North Carolina. That would account for what would otherwise appear to be a reduction in the fund?

Mr. GARY. No. The fund has been reduced. There were two requests before our committee. One supplemental request was for \$9,800,000 to continue the work for the balance of this calendar year. Then there was another request for \$9 million for the next calendar year. But since the operation of the agency had not been authorized for the next calendar year the committee decided not to appropriate any money for that year at all, and recommends \$5 million for the balance of the present calendar year.

Mr. JONAS of North Carolina. This \$5 million is supposed to carry the agency to the end of this calendar year.

Mr. GARY. Yes.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RICHARDS. The gentleman's report says that the testimony before the legislative committee was to the effect that the unobligated balance was about

\$500 million-plus. But the more realistic and honest testimony before the Appropriations Committee was to the effect that the unobligated balance was \$2 billion-plus. Who is responsible for that? Was Mr. Stassen responsible for the difference in testimony before these two committees?

Mr. TABER. I understand there was an intimation before the Foreign Affairs Committee that I had not had called to my attention before to the effect that the unobligated balance might be a great deal more than the \$500 million.

I think Mr. Stassen approached the thing honestly. On the other hand, I do not think when he first came before the Foreign Affairs Committee he had the information he finally presented to us.

Mr. RICHARDS. As a matter of fact, I think the \$500 million-plus was an estimate made before June 30, an estimate of what they would have on hand; but this difference between half a billion dollars and over \$2 billion as an unobligated balance is too great to pass over lightly. I would therefore like to know, if the gentleman from New York will tell me, what the Appropriations Committee uncovered in that connection.

Mr. TABER. I would not want to say that the Appropriations Committee uncovered the item, because the whole picture of the \$2 billion-plus, as I remember it, of unobligated funds—

Mr. RICHARDS. Two billion one hundred and seventy-five million dollars—practically what the gentleman said.

Mr. TABER. Well, all right; that appeared upon the justifications which were presented to us, large square books. That was presented to us showing the details of the whole operation.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. H. CARL ANDERSEN. I think a partial answer to the question of the gentleman from North Carolina would be that the Comptroller General had deobligated a considerable amount of dual obligations following the hearings before the Foreign Affairs Committee.

Mr. TABER. There were approximately \$660 million of deobligations that were duplications found by the Comptroller General.

Mr. H. CARL ANDERSEN. And were there not further deobligations which were added to the sum total after the Foreign Affairs Committee had taken the matter under consideration?

Mr. TABER. Oh, yes; there were lots of them.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. FORD. I think it is unfair, Mr. Chairman, for an inference to be drawn from the statement in our report that there was any deliberate or otherwise erroneous statement made before the Committee on Foreign Affairs. In the Appropriations Committee hearings on page 1203 at the bottom of the page there is a statement which in part explains the situation.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. The use of the word "dishonest" is rather unfortunate, it seems to me in connection with this situation; there was absolutely nothing dishonest in it. There was some loose bookkeeping, and when the chairman of our committee requested the General Accounting Office to go over the accounts they found certain errors in obligations. In other words, we had this situation with reference to these funds: The Mutual Security Agency would order certain equipment. When it was delivered it was needed worse in Korea than in Europe, so that equipment would be sent to Korea. Occasionally there were duplications in the accounts that grew out of such transactions. The General Accounting Office went through the accounts and found certain duplicating items and certain items of goods that had been sent to Korea and had not been deobligated. When these items were deobligated, that gave them a larger unobligated balance. There was nothing dishonest about it.

Mr. JUDD. Mr. Chairman, our report from the Foreign Affairs Committee specifically mentioned the fact a changed system had been instigated by the General Accounting Office for estimating unobligated balances. Our committee report gave the figure as \$1.6 billion. But what disturbs me is how they got it up to \$1.992 billion in 3 or 4 weeks after they gave us the figure \$1.6 billion.

Mr. TABER. I think I can answer that. There were duplicating items found by the General Accounting Office to the extent of \$660 million and that makes the figure almost exactly. I do not think there is any question about that. When the Mutual Security Agency came before us they told us frankly what amount they had unobligated. I have given the figure.

Mr. RICHARDS. May I say to the gentleman from New York that I know he is one of the best men in the House, one of the most conscientious and able Members here. If he has found something wrong in the computation of these figures, I want to be the first to congratulate him.

Mr. TABER. We did not find it. It was presented to us as they came before our committee.

Mr. RICHARDS. I just wanted to find out who was at fault in not bringing the same evidence before the Foreign Affairs Committee of the House.

Mr. TABER. The time of day, I think, because that was before they had their material together and had appreciated what the situation was. I do not think the General Accounting Office established any new requirements. The law established the requirements and the General Accounting Office simply made them follow the law. This is what has resulted.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. VORYS. It was about the last of May or the 1st of June that an estimate was given as to what the unobligated

balance would be on the 1st of July. The testimony before the gentleman's committee was on July 15.

Mr. TABER. July 13 was the first day that we started.

Mr. VORYS. Well, July 15 I note in your hearings was the date that they came in and said instead of \$1.6 billion it is \$1.992 billion.

Mr. TABER. That was just the military item. The rest of it was over \$2 billion.

Mr. VORYS. The gentleman from South Carolina has been discussing this military item.

Mr. TABER. Yes.

Mr. VORYS. In our committee we got more accurate figures on the military than we did on the nonmilitary items. But what has happened apparently is that the difference in carryover in the 2 bills amounts to just about the \$392 million or \$400 million difference in estimated obligations and unobligated balances.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield for a further clarification?

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. JONAS of North Carolina. I do not think the RECORD is exactly clear about this children's fund. I am very much interested in it and I know other Members are interested in it. Am I correct in my understanding that the program is due to expire on December 31, 1953, that last year the 82d Congress appropriated \$6,666,667 for this program and now we are increasing that by \$5 million, which really would amount to \$11,666,000?

Mr. TABER. Well, that would be for the period covered by the previous appropriation and for the period from now until the 31st of December.

Mr. JONAS of North Carolina. It could be said then that the \$5 million plus the amount last year is the total.

Mr. TABER. Yes.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. ADAIR. Some of us who, like the gentleman from New York, are deeply interested in economy, read on page 2 of the committee report, about half way through the first paragraph, this sentence:

The entire bill as it is presented makes available in new and retained obligating authority of approximately \$600 million more than was contemplated at the time the authorizing bill was passed.

I wonder if the gentleman would comment on that.

Mr. TABER. The way that works out is this: Funds that are for new obligations plus the fund balances that were unobligated are involved here. While it does not take more money out of the Treasury than was contemplated, there is actually available \$600 million more than was originally presented to the Committee on Foreign Affairs as the amount available for obligations. The Committee on Foreign Affairs had figured that more of prior years funds would have been obligated than actually

was done at the time the first of July rolled around, that is all. That is the difference. There is not going to be any more material to deliver or to purchase than there would otherwise have been but there is going to be more money available to obligate.

Mr. ADAIR. Does the gentleman feel, in view of that statement, that the requirement for the program this coming year is the amount specified in the bill?

Mr. TABER. We do or we would not have prepared the bill on that basis.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. JUDD. I would like to ask this question for information. Of the additional amount of unobligated funds the gentleman's committee is counting on, are they still carried in their original categories or do they go back into a lump sum and then can be used by the Administrator for any parts of the program he directs rather than for the parts of the program for which they were originally appropriated and allocated but not used?

Mr. TABER. We have made our appropriations specific both as to new funds and the unobligated funds for each item. We have also allowed to continue, without attempting in any way to modify it, the language that the Committee on Foreign Affairs brought in authorizing the transfer of funds up to 10 percent, which will, in my opinion, take care of any item that might be in trouble.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. I hope someone, the gentleman or someone on the committee, will explain the \$85 million for manufacturing in the United Kingdom and another \$85 million for manufacturing in France. For what purpose do we appropriate money for manufacturing in those countries?

Mr. TABER. So as to get material produced. The \$85 million in France means production of munitions and ammunition to be used in Indochina. The \$85 million for Britain means the construction of certain airplanes for distribution to countries on the Continent to protect them against possible Russian invasion.

Mr. GROSS. Then we have \$85 million in the case of France, \$85 million added to the \$400 million also appropriated here to finance the war in Indochina.

Mr. TABER. Yes, and there will be more than that before we get through with the whole picture on Indochina. There is no use fooling ourselves about that. We are fortunate if it is not more.

Mr. GARY. Mr. Chairman, I yield myself such time as I may need.

Mr. Chairman, the older Members of this House know of my interest in the foreign-aid program. To the newer Members, I will say that it has been my privilege to sponsor this program on the floor of the House for the last 4 years. I am deeply interested in it.

There are questions that transcend politics and the security of the United States of America is one of those questions. This bill deals with the security of our own country. It is not a giveaway program. If it were a giveaway program, I would be standing here today arguing against it. It is exactly what the name implies, a mutual-security program, a program under which we have entered into certain agreements with other peace-loving nations in an effort to contain communism and to preserve the freedom of the world.

Our committee in framing this bill sought the very best information and advice that was available. We sat day and night listening to the Secretary of State, Mr. Dulles; the Mutual Security Director, Mr. Stassen; and General Gruenther who, just a few days before, had assumed the high position of Supreme Allied Commander of NATO. He flew from Paris to Washington for the purpose of appearing before our subcommittee in support of this bill. We heard many other witnesses.

After we had concluded our hearings, our entire subcommittee was invited to the White House for breakfast where the President of the United States impressed upon us his belief in the necessity of this program for the security of the United States. He told us that this program is a part of the general defense program, and that in framing his budget request for our own armed services, he had taken into consideration the fact that this money would be appropriated to help the foreign nations that were cooperating with us to increase their armies so that their assistance could be more effective.

He warned us in no uncertain terms that if we weakened this program, then it would be necessary for him to come before the Congress again and ask for an increase in the funds for our own forces. My friends, it is much cheaper to implement these foreign forces than it is to provide our own forces. Many of these nations have built up armies that are ready to fight side by side with our armies in the defense of freedom. But they do not have the equipment with which to fight. If we want their aid in this global battle that is going on today for freedom, then we must aid them with this program.

In discussing this program with our committee, the President did not mention dollars. He said very frankly, that he was interested in the program, but that the details of the program were up to our committee. He did not discuss dollar figures.

Our committee faced a grave problem. We are facing today global warfare. There is a hot war raging in Korea. There is a hot war raging in Indochina. Someone has asked the question, "Why do we help in the Indochinese war?" Do you know that Indochina is the gateway to Asia? If the Communists take over Indochina it will open the way for the conquest of Asia. If we lose Indochina, our situation in the Pacific will be precarious.

Someone else asked, "Why are we helping India?" If India with its teem-

ing millions joins forces with the Communists, then Asia is gone. We have a difficult situation in Asia today as it is, but throw India into the balance and our cause in Asia would be lost.

We are trying to build up forces in Europe to protect the free nations of Europe. Is it to our advantage to protect them? There are those who believe that in the event of war, all we have to do is to drop a few atomic bombs and the war would be over. Nobody knows what effect the atomic bomb will have in time of war. But let us assume that is true. How are we going to drop an atomic bomb on the enemy unless we have bases from which our planes can take off.

In the event of another world war, our chief points of attack would be from bases in foreign countries, and if the enemy could take over those bases with land forces, then they could be used just as effectively in bombing the United States of America. It is not a happy thought. Yet the time has come when we in America should face the facts.

Our military needs are indeed great; our defenses against communism must be made impregnable, and yet the Treasury recently announced that the deficit at the close of the fiscal year, June 30, was \$9,400,000,000, the largest peacetime deficit in history. Just a few days ago they announced that the national debt has reached the stupendous figure of \$272,500,000,000, just 2½ billion below the limit which the Congress has placed upon that debt. Before adjournment there will probably be a request to this Congress to raise that ceiling. We, therefore, have serious fiscal conditions here at home, and fiscal solvency is also vital to our national defense. We are confronted with the problem of balancing our military needs against our financial abilities. And it is not an easy task.

At this point I want to pay tribute to the chairman of our subcommittee [Mr. TABER]. How he stands up under the load that he is carrying, I do not know. He sat with the committee day and night, and I want to say that he did a magnificent job in steering the committee to conclusions which, in my judgment, reflect that balance I have suggested.

The bill that we present to you today is not JOHN TABER's bill, as much as he contributed to it, and certainly no one contributed more than he. It is not a bill that he would write if it were left to him alone. If I were drafting this bill, I would make some changes in it. It is not a bill that CLARENCE CANNON wants or JOHN ROONEY or OTTO PASSMAN. It is not a bill that CARL ANDERSEN, or Dr. FENTON, or NORRIS COTTON or GLENN DAVIS or GERALD FORD wants. I do not think that any one member of this committee, if he were framing this bill, would frame it just as it is. We have brought you a compromise, and I want to say that I personally think it is a fair compromise. These agencies, as you have been told, have large unexpended balances and large unobligated balances. In view of that fact I think that some cuts should be made, and I believe that in this bill with several exceptions we have given the agencies all the money

they can reasonably obligate within the next fiscal year.

This bill is not a slap at anybody or anything except the militaristic dreams of Soviet Russia; and I hope it will not be a slap at them, but rather that it will be a knockout blow that will let Russia know that the United States of America stands for freedom and that we are willing to protect that freedom in any part of the world whenever it is jeopardized by any foreign dictator.

While I do not believe the proposed program has been weakened by the cuts in this bill, I am convinced that further cuts would have a serious effect and might properly be considered as a slap at the present administration.

Mr. Chairman, this is no time to turn back. Peace negotiations are in progress in Korea today and all of us hope and pray that an honorable settlement will be consummated—certainly no American wants any other kind in Korea or anywhere else. The uprisings and unrest behind the Iron Curtain in Europe are for the first time beginning to evidence the results of our handiwork in this and other programs. To turn back at this time would give comfort to the enemy, and would discourage our allies; because, remember, they are striving to live up to this program which has been agreed upon for Europe and other parts of the world.

These are critical days. We are spending a lot of money, I will admit, but, Mr. Chairman, let us remember the danger, let us not turn back at this critical period, but rather let us go forward with this program. I shall stand by the bill our committee has presented and I trust that the Members of the House will do likewise.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I gladly yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Mr. Chairman, I cannot allow this opportunity to go by without paying a tribute to the gentleman from Virginia who paid a very well-deserved tribute to our chairman, the gentleman from New York [Mr. TABER]. I have had for the first time an opportunity to serve on the subcommittee with the gentleman from Virginia. The wealth of his knowledge in relation to this specific topic, the energy he has put into this work, and beyond all the fairness with which he approached the whole subject appealed very deeply to me. I want to thank the gentleman for the splendid way in which he cooperated with the rest of us who did not feel we could go quite as far as he would go. We all recognized the necessity of reaching a tentative agreement so that the House could work its will.

Mr. GARY. I thank the gentleman for his kind remarks and I want to say that I think we had an excellent subcommittee. I do not believe there is a point of view with respect to this bill in this Congress that was not represented on our subcommittee, and that is the reason I say to the Members of this House that I believe you have before you a compromise bill that is a cross section of opinion in the United States, and I

hope it may be the will of the House to adopt it.

Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, it grieves me that I am not in accord with the views of my distinguished friend and colleague from Virginia [Mr. GARY]. I have been serving on his subcommittee for 5 years. I have a very high regard for the gentleman from Virginia and commend him for his ability and fairness. I wish to pay the same tribute to the distinguished chairman of the Appropriations Committee [Mr. TABER], who is fair, impartial and untiring in his efforts. It happens that our views are not in accord, however, there is one thing he did not mention and I hope it will be discussed before we finish our deliberations, and that is, What will the nations we are now subsidizing do when we terminate the subsidies and the chips are actually down?

Mr. Chairman, as a member of the subcommittee handling the appropriation request before you, I heard many able witnesses testify in behalf of the funds provided in this bill. Our President, in carrying out this program which was inaugurated by former President Truman, is equally sincere in his conviction that these funds are necessary. However, I am still dubious of the long-range benefits of this worldwide program. I am opposed to the bill partially because of its effect on our national economy and it frightens me to think about what the repercussions will be in foreign countries when, through dire necessity, we are forced to discontinue such worldwide spending. I have consistently voted against the authorizing legislation and appropriations for this worldwide spending program believing that it would eventually wreck the economy of our country. I contended from the inception of this worldwide spending program that we would never find a stopping place. My position on this contention is now stronger than ever. That section of the authorizing legislation dealing with the termination of this program is, in my opinion, nothing more than superfluous words, because this legislation has never been passed but for 1 year at a time. Obviously, the authorizing legislation for which this appropriation bill is based, was passed for only 1 year and the language in the bill with respect to future termination of this program has not impressed me at all.

When the program started, it was generally called the Marshall plan to provide funds to assist starving people of other nations of the world. When that adopted name lost its appeal, it was then called the ECA program. When that name had worn threadbare, it was then changed to the Mutual Security Program. Therefore, in my opinion, next year you will get another change in name, but the program, as such, will go on and on.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield? The gentleman left out one "ERP", the most appropriate name we could have.

Mr. PASSMAN. Mr. Chairman, we are now furnishing aid of some variety

to 56 foreign nations. Our Armed Forces are now serving in 49 foreign nations. Regardless of how good our intentions are, what this international interference will eventually lead us into, only God knows.

Mr. Chairman, during the past generation, the United States has given to foreign nations in grants, aids, subsidies, loans, gifts, and repudiated loans in excess of \$120 billions. Even though the recipients in foreign lands of this stupendous amount of money have already spent it, let us be ever mindful that the taxpayers of this Nation still owe this debt which must be paid by generations yet unborn. The total public debt of all the nations of the world with the exception of the United States amounts to only \$207 billions. On the other hand, the public debt of the United States alone is \$266 billions, which means that our public debt is \$59 billions greater than the combined public debt of all the other nations of the world. Are we attributing too much to our present high-level of national income? It is true that our national income is very high at this time. However, the national income of the other nations of the world is in excess of \$483 billions annually. Putting it another way, the national income of the other nations of the world exceeds our national income by \$179 billions. We are proud that our national income annually is in excess of \$300 billions, but let us not forget that in 1933, it was only \$39 billions and who can tell just how soon our own national income will start declining rapidly.

I shall include as a part of my remarks a list showing the public debt of each nation of the world and a list showing the national income of each nation of the world. These compilations should furnish you with much informative detail.

Latest available figures of all nations of the world having a public debt

1. United Kingdom.....	\$73,350,795,000
2. U. S. S. R.....	49,750,000,000
3. Canada.....	16,916,802,000
4. France.....	10,017,100,000
5. Australia.....	8,126,129,000
6. Netherlands.....	6,381,500,000
7. India.....	5,545,300,000
8. Germany.....	5,264,900,000
9. Belgium.....	5,082,487,000
10. Italy.....	4,562,400,000
11. Union of South Africa.....	2,252,415,000
12. Switzerland.....	2,228,991,500
13. Indonesia.....	2,105,263,150
14. Sweden.....	1,944,500,000
15. New Zealand.....	1,855,616,640
16. Denmark.....	1,678,460,000
17. Japan.....	1,422,552,000
18. Pakistan.....	1,194,600,000
19. Turkey.....	915,883,500
20. Rumania.....	832,666,666
21. Israel.....	548,520,000
22. Ireland.....	504,050,750
23. Austria.....	494,584,500
24. Uruguay.....	473,684,210
25. Egypt.....	452,196,000
26. Philippines.....	401,588,000
27. Mexico.....	388,682,000
28. Portugal.....	362,804,000
29. Iran.....	304,184,610
30. Poland.....	294,000,000
31. Cuba.....	287,600,000
32. Burma.....	253,838,000
33. Chile.....	242,777,419
34. Colombia.....	225,737,000
35. Bolivia.....	192,343,000

Latest available figures of all nations of the world having a public debt—Continued

36. Ceylon.....	\$134,510,200
37. Peru.....	97,279,000
38. Malaya.....	88,736,000
39. Finland.....	67,532,400
40. Costa Rica.....	64,726,630
41. Spain.....	56,065,000
42. Ecuador.....	45,412,540
43. Jamaica.....	38,599,750
44. Iraq.....	28,500,000
45. Iceland.....	27,628,670
46. Hungary.....	27,200,000
47. Panama.....	25,321,000
48. Dominican Republic.....	21,400,000
49. Bulgaria.....	19,900,000
50. Luxembourg.....	19,674,130
51. Guatemala.....	18,858,800
52. El Salvador.....	12,732,000
53. Ethiopia.....	8,500,000
54. Paraguay.....	6,725,667
55. Haiti.....	6,200,000
56. Honduras.....	4,950,490
57. Syria.....	4,750,000
58. Venezuela.....	4,388,050
59. Argentina.....	4,128,600
60. Yugoslavia.....	3,755,000
61. Thailand.....	3,179,280
62. Czechoslovakia.....	2,422,000
63. Greece.....	1,743,500
64. Norway.....	1,594,680
65. Nicaragua.....	1,430,210
66. Brazil.....	1,357,212
67. Lebanon.....	1,350,000
68. Liberia.....	535,700

Total (all nations except United States)..... 207,505,997,454

69. United States..... 266,071,061,639

National income of selected countries of the world

Country	National income (United States currency)	Year
1. U. S. S. R.....	\$120,000,000,000	1951
2. Bulgaria.....	49,117,640,000	1946
3. United Kingdom.....	38,453,240,000	1952
4. France.....	25,943,571,000	1951
5. Germany.....	21,450,650,000	1951
6. Spain.....	20,846,700,000	1951
7. Canada.....	18,560,000,000	1952
8. India.....	18,359,621,000	1949
9. Argentina.....	14,600,000,000	1951
10. Poland.....	13,917,900,000	1947
11. Japan.....	13,439,578,710	1951
12. Italy.....	12,393,600,000	1951
13. Brazil.....	12,339,740,000	1951
14. Australia.....	7,129,560,000	1952
15. Sweden.....	7,104,247,100	1951
16. Belgium.....	6,097,560,000	1952
17. Luxembourg.....	5,917,632,900	1951
18. Netherlands.....	4,634,017,000	1952
19. Switzerland.....	4,551,820,700	1951
20. Mexico.....	4,369,942,000	1950
21. Czechoslovakia.....	4,262,000,000	1952
22. Philippines.....	3,766,749,000	1951
23. Chile.....	3,574,100,000	1950
24. Syria.....	3,462,000,000	1950
25. Turkey.....	3,429,699,000	1951
26. Union of South Africa.....	3,150,015,000	1952
27. Denmark.....	2,991,300,000	1951
28. Finland.....	2,637,229,000	1951
29. Iran.....	2,523,379,000	1950
30. Austria.....	2,343,600,000	1951
31. Norway.....	2,321,118,880	1952
32. Rumania.....	2,226,103,000	1951
33. Colombia.....	2,223,107,500	1950
34. Bolivia.....	2,175,630,000	1951
35. Venezuela.....	2,147,761,194	1951
36. Cuba.....	1,971,000,000	1951
37. Thailand.....	1,862,709,100	1950
38. New Zealand.....	1,710,159,880	1951
39. Hungary.....	1,596,763,200	1947
40. Malaya.....	1,551,680,000	1952
41. Israel.....	1,487,360,000	1951
42. Portugal.....	1,222,797,000	1950
43. Iraq.....	1,118,762,000	1951
44. Ireland.....	1,008,353,250	1951
45. Peru.....	880,752,880	1951
46. Nicaragua.....	823,438,000	1951
47. Yugoslavia.....	769,333,333	1951
48. Ecuador.....	723,689,000	1951
49. Greece.....	636,079,000	1949
50. Costa Rica.....	562,700,000	1951
51. Guatemala.....	518,411,000	1951
52. Egypt.....	398,976,000	1951
53. Uruguay.....	275,263,157	1943
54. Jamaica.....	239,487,500	1949

National income of selected countries of the world—Continued

Country	National income (United States currency)	Year
55. Indonesia.....	\$193,237,000	1950
56. Dominican Republic.....	180,400,000	1946
57. Lebanon.....	178,266,000	1950
58. Honduras.....	177,920,790	1951
59. Pakistan.....	176,203,000	1951
60. El Salvador.....	174,174,000	1944
61. Haiti.....	129,901,000	1951
62. Panama.....	129,200,000	1945
63. Ethiopia.....	107,523,000	1951
64. Liberia.....	73,102,000	1951
65. Iceland.....	72,549,019	1949
66. Paraguay.....	70,866,666	1950
67. Ceylon.....	947,246	1951
68. Burma.....	663,453	1951
Total (all nations except United States).....	433,453,509,453	-----
69. United States.....	394,900,000,000	-----

In my considered judgment, we are spreading ourselves too thin. We are attempting to buy friendship and loyalty. Even though our intentions may be good, we are interfering with the affairs of too many nations and peoples throughout the world. In my considered judgment, if we continue dissipating the wealth of this country endeavoring to buy friendship and loyalty, then we may wind up in a worse condition than a great majority of those that we are now helping. If our present rate of grants and gifts continues for too long, there will not be enough ready money available to build a fisherman's canoe, let alone a flattop or an ark. Instead of having money for airplanes, our pocket-books will only provide kites. It frightens me to think that we have gone so far afield with this worldwide program of trying to buy friends and loyalty.

The world population is 2,430,000,000. Our great Nation has only 6 percent of this world population. Yet, we are endeavoring to feed, clothe, and fight the battles of some 56 foreign nations. Just how much longer 6 percent of the people can divide their hard-earned wealth and natural resources with 56 foreign nations is any man's guess.

The United States per capita debt is approximately \$1,700. In other words, every man, woman, and child in America is indebted to their Government at the present time in the amount of \$1,700. Let us compare this with the per capita debt of the other nations of the world. Combined, the per capita debt of all the nations of the world, with the exception of the United States, is only \$91. Some of the foreign nations have a public per capita debt of less than \$2.

Our Nation represents less than 6 percent of the land area of the world, and even with our great food and fiber production capacity, we only produce 8½ percent of the food produced in the world. Statistics disclose that our annual food surpluses would feed the world population for only 6 days; so, this is another indication that we are spreading ourselves too thin and assuming too much of the other nations' responsibilities. The poorhouse is always the last house on Easy Street. That is where we are headed and where we will arrive if we do not slow down. How often must we be reminded that if we should take all the income and savings of our people,

we still would not have sufficient money to do all the things labeled "desirable." I am convinced that this policy of worldwide spending will bring us to our knees economically sooner or later.

I state here and now that I am very much in accord with the President's plan to give surplus food to East Germany, but this does not mean that I would vote for legislation that would dissipate our food surpluses, \$100 million at a time, similar to the Pakistan wheat bill, throughout the world for the purpose of buying friendship.

It has been stated or implied that Russia's Lenin once said, "Just give the United States time and she will spend herself into destruction." I wonder if our arch enemy, Dictator Malenkov, is thinking the same thing and maybe co-operating in bringing this about.

My constituents are paying more attention to this worldwide program than they ever have before. I would like to quote from correspondence that I received from my district. One card said, and I quote:

Send our dollars to Europe, then give Asia some more; but you won't get back to Congress in 1954.

A. CITIZEN.

Another letter said, and I quote:

OTTO E. PASSMAN,

Member of Congress, Washington.

DEAR SANTA CLAUS: You had better enjoy sending our money to foreign nations galore; cause you won't be playing Santa Claus after 1954.

I do not have to draw on my imagination to know what these constituents are thinking about.

Mr. Chairman, my remarks are not made for the purpose of levity nor to trifle with the feelings of those who have deep convictions in favor of this program, but rather to recite factual statistics as part of the basis for my opposition. We actually have those among us who believe that the committee has reduced the President's request too drastically. It may be somewhat repetitious, but let us again refresh our memories on the present status of the program.

On July 1, 1953, the agency had on hand funds appropriated prior to this Congress in excess of \$10 billion. Of this amount, in excess of \$2 billion was unobligated or, putting it another way, the agency has on hand in excess of \$8 billion in unexpended but obligated funds. Now, the bill before you provides for \$4,430,000,000 plus. Add to this the \$1,750,000,000, plus, of prior appropriations unobligated and unexpended and you will find that the agency will have new money to obligate for fiscal 1954, \$6,186,000,000, plus. This will give the agency a total of in excess of \$14 billion in obligated and unobligated funds.

Notwithstanding the fact that the witnesses before our committee and the President request the full amount, I contend that the bill before you should be further reduced and I shall support amendments to that effect. Mr. Chairman, before this program is again presented to the Congress, I hope that the entire Membership will study the aspects of this program from every angle to ascertain what good, if any, in the

long-range program we have accomplished and where this worldwide spending and military program will lead us.

And while we are studying this stupendous spending program, maybe we should find out what happened to the promise that in the future our dealings with foreign nations would be on the basis of trade and not aid.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. I want to compliment the gentleman on his statement. Of course, I have opposed a great deal of this legislation myself. But I should like to ask the gentleman this question. It seems that the Foreign Affairs Committee and the Appropriations Committee were somewhat confused here earlier in the debate; and I am somewhat confused. Can the gentleman tell me whether there is any difference in this program, under Mr. Dulles and Mr. Stassen, from the previous program, or is it just a continuation of the Acheson plan?

Mr. PASSMAN. I do not think there is any question about this being a continuation of the old program. Of course, they have tightened the program up; I want to be fair about it. But it is a continuation of the Truman-Acheson program as applied to this particular field.

Mr. WINSTEAD. Did we not cut the military appropriation requests of the President and during the debate on that bill, it was brought out that there were so many billions carried over from previous years. Why not cut this appropriation back someplace?

Mr. PASSMAN. It is to be regretted that the Members of the House could not consider both bills in immediate succession, so that the comparison would be fresh in our minds. The Members know what we did to our own military program and what we have done to take care of these other nations. There is a serious doubt in my mind and in the minds of many of my constituents as to just what these nations will do when the chips are down, and when we stop giving them this aid. Some of them may become our arch enemies. Only time will tell.

Mr. WINSTEAD. It seems to me that some of these billions would represent more security in our own defense program than they would scattered all over the world.

Mr. PASSMAN. I should like to say to the distinguished gentleman from Mississippi that my thinking is parallel to his.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GROSS. I want to compliment the gentleman. A few moments ago the gentleman from Virginia made the statement that our allies—I do not know to whom he was referring—but he said that our allies were striving to their utmost to carry out their commitments. Well, what are their commitments? If their contributions to the NATO army or to

the fighting in Korea is any indication of their commitments, they certainly are not working very hard to carry them out.

Mr. PASSMAN. I refer the gentleman to the hearings with respect to that. I feel somewhat the same way. Of course, these nations are poorer than we are, if you take them individually; but collectively, if he will look at the chart that I am going to insert in the RECORD, I think he will understand well why I am opposed to this bill.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I wish to thank the subcommittee for yielding me this time, and wish to say at the outset lest anything I say in this debate be misunderstood, that I believe the gentlemen on the subcommittee have utilized their best and conscientious judgment as Americans of high character in arriving at the conclusions at which they have arrived. If I do not agree, that is an honest difference of opinion which I feel very deeply to be in the interests of our country.

We have a picturesque custom here by which gentlemen who are inveterate opponents of a program will vote in every way possible to cut it and beat it down promising us all the while that they are going to vote against it in the final analysis anyway no matter what we do with it. Let us therefore be wary of this point.

The mutual security program was carried by the House roughly two to one or better and so in my remarks, on amendments which I shall offer to this bill, I shall confine my appeal to those who are for the program in substance otherwise I do not think we will get anywhere. There is an ample majority for that purpose, and within those confines we ought to be able to wrestle successfully with the problems presented by this bill.

My fundamental purpose in presenting amendments to the House will be to bring before the House the point of view of the President of the United States. For the President has advised us of his point of view upon this bill, and upon that we should be very clear.

In a communication, which is printed as House Document No. 209, dated July 16, 1953, "The President of the United States"—it says—"Communication from the President of the United States"—has transmitted to the Congress, based upon the authorizations contained in the mutual security bill—which we approved just the other day—his recommended figures for what we ought to appropriate for the mutual security program for fiscal year 1954. In view of the fact that these recommended figures are set forth here, and there can be no question about that, I hope many Members while listening to the debate and while amendments are being considered will get this document because I assure you it is very effective.

It seems to me when we have fought in a campaign and elected a President whose great appeal to the American people lay in the fact that he had an un-

paralleled background of experience and skill to deal with the foreign policy problems of the country and questions of peace or war, and when this President makes his first appeal to this Congress, asking us to implement his special capability in respect to foreign policy—when this President with a record for prudence and wisdom in the handling of foreign affairs asks us to give him certain funds with which to operate in the foreign field, I believe we ought to give them to him. At least the first time we ought to give him a full opportunity—which in my opinion the American people intended that he should have—in order to carry through with his particular gifts and his particular talents on efforts to secure the peace of the free world through the exercise of these talents and when the American people have put him in a position of power to carry them through.

In order to present the point of view of the President, I shall offer as typical of the whole bill the following amendments:

First, to restore the amount for military aid to Europe by \$312 million, from \$1,860,000,000 to \$2,172,000,000, bringing it to the amount recommended by the President.

Second, to restore the cut in defense support for Europe and other areas, like Turkey, which will restore \$50,200,000, from \$218 million to \$268,200,000.

Third, to restore the technical assistance figure for the Latin American republics, which will restore \$9,342,000, from \$15 million to \$24,342,000.

Fourth, to restore to the children's fund \$9 million for the calendar year 1954.

Fifth, to restore to the multilateral technical aid provisions \$8½ million, from \$5,250,000 to \$13,750,000.

This gives us a total of about \$400 million of restorations.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. H. CARL ANDERSEN. Does the gentleman feel that the Executive should do the appropriating?

Mr. JAVITS. The gentleman has asked me that question privately and my answer privately and publicly is the same. I do not believe the Executive should do the appropriating, but I do believe that a man with the enormous prestige in the country and in the free world like President Eisenhower should have presented to the House of Representatives his considered recommendations, I believe that the balance of wisdom says that the first time out when he is just trying to secure the peace of the world, we ought to give him what, in his considered judgment, after it has been authorized after extensive debate had in the House of Representatives and the Senate, he asks.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. I yield the gentleman 2 additional minutes.

Mr. JAVITS. I have two other points I would like to make. One of the great points made with respect to these reduc-

tions is the financial condition of the United States.

I would like to call the attention of the House to the hearings before the Foreign Affairs Committee. This is a subject upon which I think I am qualified. We have gone through this thoroughly.

On page 306 of the hearings I asked the Secretary of the Treasury who has a widespread reputation for being conservative on financial questions, this question:

Mr. Secretary, do you believe that the total amount asked for in this program, \$5,800,000,000, is within the financial capability of the United States, as you are in charge of that financial capability?

And he said:

That is a most difficult question to answer, because very frankly I think we ought to balance the budget, and if we cut it all out we would come nearer balancing the budget. On the other hand, I do not think we can or should cut it all out. I hope that it will be somewhat further reduced. I hope there will be another four or five hundred million dollars to come out of the authorization, but I think that the expenditures that are contemplated, nearly all the ones that I have gone through, and I have gone through most of them, are desirable expenditures to make, notwithstanding the fact that we do not see the balanced budget yet in sight.

Then I said:

The Secretary would make the same answer, I assume, if asked whether we should appropriate \$41 billion for the Army, Navy, and Air Force?

And Secretary Humphrey said:

That is right, exactly the same. I think it is too much, you understand, but I am not sure enough how to reduce it without hurting our security, to want to do it.

The appropriation was reduced in the authorizing state by not only four or five hundred million but about \$600 million. I believe it should stay that way as recommended by the President. That, Mr. Chairman, is the case which I will present to you in these amendments.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MILLER of Kansas. Does or does not the Constitution of the United States empower the President to make recommendations from time to time to the Congress?

Mr. JAVITS. There is no question about that. I think we have got that issue very clear. The Congress must appropriate, but the President can and should recommend.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. PASSMAN. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia [Mr. WHEELER].

Mr. WHEELER. Mr. Chairman, I think it is very significant that we are here today in the process of giving away 4½ billion new dollars which we do not have, making a total available to this program of approximately \$14 billion, with so few people here in attendance to hear the arguments.

I think it significant, especially when you remember that a few weeks ago this Chamber was crowded to overflowing when we were discussing the probability of extending the program which would, according to the evidence presented, bring into the Treasury only \$800 million.

Frankly, Mr. Chairman, in the little over 6 years that I have been privileged to serve in this body, I have spent approximately half my time thinking that I was crazy, and the other half thinking that a lot of other people were crazy. When you bring this particular program to the floor for discussion and I hear some of the specious arguments that are presented in its support, that is one of the times when I think other than that I am the one that is crazy.

I remember very well in January of 1947 and in every year since arguments have been presented to the effect that if we proceeded to reduce this program appropriationwise in any degree we would ruin the program and ruin the security of this country. I have noticed those arguments and have been caused to remember them in the subsequent years when testimony was presented that we had X billion dollars in unexpended balances even after we had succeeded in cutting the program the previous year.

I do not know how many times you have changed the name of this program; I do not remember specifically. I know that from time to time when the stench of the thing would become unbearable in the nostrils of the American people you would feel constrained to change the name. You have not seen fit to do it this time. About all, in fact, that I have noted that you are doing and have been doing and propose to do is to extend the Fair Deal program as you found it when you came into power. It seems to me that the new administration has decided that the administrations prior to its advent had been so successful in using this old formula of tax and tax, spend and spend, elect and elect, that you have decided to apply it yourselves. I do not know of any basic changes you have made. You decided not to change the name of this particular program, but you decided, on the contrary, to spread it around a little, so you cut this bill down to \$4.5 billion and charge that up to the State Department and the Mutual Security Administration, and then, in order to get additional billions to scatter around the world to no good purpose, you seek other means, such as H. R. 6016. Of course, you have told me that if we send this stuff—every year for 7 years you have told me this—that if we would do this thing, if we would send these moneys and these materials, we would not have to send American boys.

Let me call your attention to this additional program: Here today you are playing penny-ante poker with the American tax dollars; you are putting some sort of limit on it, but over in the committee of which I am a member, the Committee on Agriculture, you decide to play table stakes; you decide you are not getting enough money here so you have a bill over there that is being

pushed as another one of these Fair Deal must programs that must be extended before we adjourn to give the President unlimited authority to take from the Commodity Credit Corporation any amount of material, wheat, cotton, corn, what have you, and give it to anybody anytime anywhere in the world. Not only do you propose to do that in this bill, but you also propose that we must pay the freight on it, assuming this bill, H. R. 6016, will pass; and I understand there is tremendous pressure from down town and that therefore it will probably pass. So in all fairness you must add currently approximately \$3 billion to the bill you have before you today because that is the approximate value of the goods that are immediately available to the Commodity Credit Corporation. So, I say to the gentleman from Louisiana [Mr. PASSMAN] talking about \$4.5 billion at the end of this Congress, by the time this bill passes you will not have \$14 billion to spend; you will have \$17 billion.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHEELER. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman think of anything that is any better perfumed or that smells any sweeter than the words "mutual security"? Can the gentleman think of anything that has been a worse phony than mutual security in terms of the help we have received from our so-called friends in the war in Korea, for instance?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, I want to make it very plain that in my viewpoint this bill is too large by about \$400 million. I shall support by my vote amendments which will do no harm to the general program, but which are designed to lower the size of the program so that possibly we can come to the figure I personally had in mind I could support, which is about \$1,500,000,000 below the authorization. I am disturbed about the size of our national debt. We must cut down our expenditures somewhere if we ever do hope to balance our budget.

Mr. Chairman, Mr. Harold Stassen will, I predict, prove to be a splendid administrator of this program. He is capable and is a man of great ability and the great sums herein will, I am sure, be properly administered. In spite of this opinion on my part as to Mr. Stassen's ability, I cannot agree to the amount proposed and must vote against this bill.

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, this is the first opportunity I have had as a member of the Committee on Appropria-

tions to sit in with this particular subcommittee. In my opinion, the subcommittee has done a good job. I want to pay tribute to the chairman of that committee, the gentleman from New York [Mr. TABER], and the ranking minority member of the committee, the gentleman from Virginia [Mr. GARY], for their vast knowledge of this particular problem.

We have learned much. If the membership of the House had had the opportunity to sit in on the various meetings we had and to listen to the discussions that took place and to the testimony of the very fine witnesses who appeared before us, General Gruenther, Governor Stassen, and others; and, if they had had put before them the serious condition in which we find ourselves, not only economically in this country, but the dire distress that exists throughout the world, I am sure they would agree that this program has to be continued at least for the coming year. This is not the time to quibble. That has been so ably brought out by the gentleman from New York [Mr. TABER] and the gentleman from Virginia [Mr. GARY].

Furthermore, we are fortunate in having a Chief Executive, President Eisenhower, whose intimate knowledge of world conditions and whose experience as commander in chief of NATO, will be exceedingly valuable in our strides for peace.

While I believe that there is much in the program for economic aid that is useless and much of it is overlapping, the committee has made a substantial cut.

I, therefore, shall support the amounts recommended by the subcommittee.

(Mr. FENTON asked and was given permission to revise and extend his remarks.)

(Mr. LAIRD (at the request of Mr. TABER) was given permission to extend his remarks at this point in the RECORD.)

Mr. LAIRD. Mr. Chairman, as a member of the Appropriations Committee, I have given a great deal of consideration and have deliberated long hours on the mutual security authorization bill for fiscal year 1954 and the mutual security appropriation bill for 1954, which we have under discussion today. Many items in this bill are of a classified nature and cannot be discussed on the floor of the House of Representatives. I regret that this is the case, but I well understand the reasons why the members of the Foreign Affairs Committee and the Appropriations Committee under the rules of the House and in the best interest of the security of our Nation are not allowed to discuss certain items of this bill. It is interesting to note that more than 60 percent of the program deals with guns, ammunition, tanks, jet planes, and other military items.

Forty-four nations of the world are authorized to receive aid under this bill. The total per capita national debt of these 44 nations is much less than the national per capita debt of this country. Today we find ourselves with a national debt in this country of over \$272 billion. We have a Federal debt ceiling established by our Congress of \$275 billion. It has been discussed here on the floor of the House of Representa-

tives and discussed in the executive branch of Government that in this session of the 83d Congress or in the next session of the 83d Congress we will be asked to increase the debt limit of this Nation. I shall oppose this increase when and if it comes before the Congress.

At the present time the Mutual Security Agency has available over \$9 billion in unspent appropriations of previous sessions of Congress. The Mutual Security Agency on June 30, 1953, had available over \$2 billion in completely unobligated balances carried over from fiscal year 1953.

The Appropriations Committee, in checking over the unspent balances of the Mutual Security Agency, found dually obligated \$660 million. This means that the Mutual Security Agency placed duplicate orders for the same military material through two separate suppliers. This dual obligation came about through duplicate orders placed by the Defense Department for the same material. This dual obligation has been rescinded and it is my belief that the entire amount of the dual obligation of \$660 million should be applied in reducing the amounts available under this bill, as the Mutual Security Director and Foreign Affairs Committee were not aware of this dual obligation when the authorization bill was considered. In the Mutual Security appropriation bill, which we are considering today, the appropriations made available in fiscal year 1954 have been reduced by \$400 million of this dual obligation, and the additional \$260 million is allowed to be carried over and is made available for expenditure in fiscal year 1954. On the floor of the House this afternoon, I have heard several individuals state that there was no dishonesty involved in this dual obligation, and, of course, I am sure that this is the case. I deplore, however, the statements which have been made which merely excuse this dual obligation as "loose bookkeeping" on the part of an executive agency in Government.

"Loose bookkeeping," when it deals with the funds of individual taxpayers throughout our Nation, should not be allowed to occur. The only way we can assure ourselves in the future that the Mutual Security Agency will not allow it to happen again is to tighten up on this bill and to use the entire dual obligation rather than rescinding only \$400 million of these funds.

I certainly would like to support the mutual-security appropriation bill as I am well aware of its importance in some parts of the world. However, I can only support the mutual security program within reasonable limits. The \$260 million figure may not seem like a large amount to quibble about to some Members, but it is a large amount to me.

During the past 6 years, I have served in the Wisconsin State Legislature where \$260 million would have been enough to finance the State's general fund operation for a complete biennium. It is certainly necessary for me to voice my protest to the loose bookkeeping procedures, as they have been referred to on the floor of the House today, by voting

against this mutual-security appropriation bill for 1954. This bill appropriates an additional \$4,433,678,000 and continues the availability of over \$1,758,010,179 of unobligated funds through 1954. The funds included in this bill when added to the unexpended balances continued available total \$14,346,800,000.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. MARTIN].

(Mr. MARTIN of Iowa asked and was given permission to revise and extend his remarks.)

Mr. MARTIN of Iowa. Mr. Chairman, it is my firm, considered judgment that this appropriation bill should be defeated and that we should bring to an abrupt end this utterly useless and ineffective attempt to buy support and friendship from other nations.

President Roosevelt, President Truman, Secretaries Marshall and Acheson led us into an impossible morass of foreign entanglements which President Eisenhower inherited only last January. I appeal as vigorously as I can to President Eisenhower to end our extravagant and wasteful contribution of further billions of American tax dollars to this futile effort to buy world power in this way.

We all should have learned by now that the spending of untold billions of dollars and the giving away of billions more has brought us no closer to world peace. It has served only to intensify the ideological rivalries in the world. And, instead of buying friends, our billions have only brought us jealousy, dislike, and even active hatred from the nations where they have been distributed.

This is the lesson of history. Never throughout the centuries has one nation been able to buy the friendship of other nations. Support may be bought temporarily, history shows, but the support will always be grudging and will never be accompanied by gratitude or friendship.

In the 7 years since the end of World War II we have poured our billions into nations around the globe. And what has been the result? In Europe the nations we have aided have made it abundantly clear they want no part of the military phase of the aid program. And most of them have left no doubt that they resent bitterly the efforts of fuzzy-brained idealists to make them over in the image of the United States. They don't think like we do and they don't want to live like we do. It is past time to call a halt on this whole ridiculous and dangerous business of trying to spend our way to peace.

Only recently the Mutual Security Agency sent teams of business and financial experts to check on the results of our spending and giving in the other nations of the world, and they reported that this spending and giving should be stopped. It is difficult for me to understand how, in view of reports of these experts, any sound argument can be advanced to justify this appropriation request. We should end MSA right now.

The New Deal tried to spend its way out of a depression and failed. Only World War II pulled us out of that economic morass, and now it has been

shown just as clearly that we cannot spend our way to peace and world friendship.

Unless we call a halt we face economic destruction. We are now on the edge of our \$275 billion debt limit. We must reduce our spending and our cost of government. If we do not, our Nation will sink and the free-enterprise system which has made us great will sink with it. Such a future is unthinkable. We must protect and preserve the kind of an America in which we believe.

It is somewhat ironic to note that a number of our Democrat opponents in both Houses of Congress have suddenly seen the light. Men who went along for years with the New Deal and the Fair Deal and blithely voted to strew our billions wastefully around the world now beat their breasts and oppose the actions they supported so blindly for so many years. It makes one wonder just what their true convictions really are.

There has never been any doubt as to where I stood. Back in December 1947 I opposed the Marshall plan on the floor of this House. I said:

We must recognize the necessity of learning to live in a world with other nations having different ideologies. If we cannot learn to live in such a world without meddling with the political and strategic factors of other nations, we have already lost the peace our young men and women fought so gallantly to win.

I opposed going into World War I until Congress declared war. I then went to war the first day men were accepted for the first training camp and I served 5 years in the Army. I opposed World War II until Pearl Harbor, and I have consistently opposed, and will continue to oppose, the taking of direct or indirect steps into world war III. But at the same time I have always worked for, and shall continue to work for, an America strong enough to serve as a deterrent to any potential enemy—a strong America able to repel and crush aggression if we are attacked.

Mr. GARY. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, history relates that there are two general ways for a nation to promote its interests at home and abroad; one, by peaceful negotiation to obtain what it needs to live, and the other, by war. Because this bill seeks to continue America's ability to promote its interests in the future, as well as now, by peaceful negotiations, I shall support it.

America, in its new role, confronts the dicta by which its people live, "it is more blessed to give than to receive," and in giving, we shall receive. Aid, cast across the waters, will return one hundred fold.

(Mr. SIEMINSKI asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I appreciate very much the chairman of the Committee on Appropriations giving me these few minutes to make my position clear on this matter. Some of you may

recall that a few weeks ago I and three of my colleagues from the Committee on Foreign Affairs stood up in this Chamber and fought the authorization bill for this legislation. We fought it hard, and we had the support of a great many Members on both sides of the aisle. I have now decided, however, with a great deal of reluctance, reluctance which I believe is shared by the chairman of the Committee on Appropriations, to support the appropriations figure as we find it in the committee bill of \$4,433,000,000. You may recall at the time the authorization was under consideration that my colleagues and I had a series of amendments which would have reduced the authorization ceiling of five billion by approximately a billion dollars. We find that figure now has been reduced by, I think, some \$705 million, and if you take all of the unobligated carryovers, reductions have been made in the neighborhood of \$1,100,000,000. I do not like the program in its present form. I think that further reductions are in order, and I agree with the gentleman from Minnesota, I would like to see it cut another \$400 million or approximately another 10 percent. But, as I tried to make clear on the occasion of my previous appearance in the Chamber, I am not opposed to the program, only to the authorization figure. I believed for a long time that a figure of roughly \$4 billion was the correct figure for this year, based upon considerable research and investigation of my own. Without speaking for my colleagues who signed the minority report with me, I do intend to support the committee, although I will at the same time support reductions in the above-stated amount.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Georgia.

Mr. WHEELER. My understanding from published reports is that the present administration immigration policy proposes to bring all of these people into this country. Now I want to know whether, under this plan, you propose to feed them, clothe them, house them, and give them medical attention before you bring them in or after you get them here?

Mr. BENTLEY. Well, not being a member of the Committee on the Judiciary I would say to the gentleman from Georgia that I imagine they will be brought over here pretty much at their own expense or at the expense of private charitable organizations, and if they do come over, the number which has been proposed, I hope that they will be absorbed in the economy of this country. I might say to the gentleman from Georgia that I have not made up my own mind whether I will support that particular piece of legislation or not.

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. COUDERT].

(Mr. COUDERT asked and was given permission to revise and extend his remarks.)

Mr. COUDERT. Mr. Chairman, there are 1 or 2 points that I would like to make and have in the Record on this bill.

This bill carries a total of \$4,400,000,000, approximately, of new funds. So far as I am concerned, the committee has done a grand job in pruning the new requests in cooperation with the administration. The fact still remains, however, that there are some \$15 billion, or will be when this bill is enacted, of available money for spending for this program. So that when we read in the newspapers about a billion-dollar reduction by the committee, it is not a billion-dollar reduction out of a \$5 billion request for new money. For practical purposes, it is a modest 7-percent reduction out of \$15 billion.

The proposal of the administration for spending in this year as opposed to the new obligatory authority requested is \$6.8 billion. The actual expenditures for 1953 fiscal year were \$5.5 billion. So today, Mr. Chairman, with debt limit increase legislation facing us, with the necessity of new taxes facing us, and probably in addition continued enormous deficits with the inevitable inflationary consequences, we are planning to spend \$1,300,000,000 more than was ever actually expended on this program in any year.

I am very sorry that the subcommittee did not see fit to attach an expenditures limitation to this bill. It would have made a perfect bill. You may recall we did it last year on the military bill. We put an overall expenditure limitation on, so the military could not spend the \$109 billion at any time they wanted during the year. Despite the outcry, when the end of the trail was reached at the end of the fiscal year, it developed that they could not have spent even what we allowed them, and they did not.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentleman from Georgia.

Mr. WHEELER. The gentleman's figures that he was just using, I take it did not take into contemplation the bill to which I made reference which would authorize the expenditure of an additional \$3 billion—\$4 billion—\$5 billion—\$X billion, whatever amount the Commodity Credit Corporation has in stock?

Mr. COUDERT. Those figures, I assume, are not included. That is a new program on top of all else.

Mr. WHEELER. This program, I may say, is to be charged to the Department of Agriculture.

Mr. COUDERT. I assume the gentleman is correct in that respect.

Let me make one further point, so that we may get the comparisons of what we are doing. Perhaps somebody may be inspired to offer an amendment to this bill to limit expenditures for the current year to the amount of the expenditures in the last fiscal year, which represented the greatest expenditure we have ever had for this program.

Back in 1947, President Truman appointed what became known as the Harriman Commission, a committee to survey foreign aid and the capacity to pay

for foreign aid. On that committee were Mr. Harriman, Secretary of Commerce, as chairman. It included Mr. Randolph Burgess, presently an Assistant Secretary of the Treasury; James B. Carey, of the CIO; George Meaney, of the A. F. of L.; Paul Hoffman, formerly president of the Studebaker Corp., and who later became the head of the ECA program; Dr. Moulton, president of Brookings Institution; Owen D. Young; and Mr. Sprout, president of the University of California. In 295 pages of carefully considered and reasoned thinking, this committee came up with the conclusion in 1947 that the maximum amount that it was safe for the United States to spend in foreign aid of all kinds was \$4,250,000 a year, and that was at a time when we were spending only \$35 billion a year, and not \$75 billion a year, as at present.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. COTTON].

(Mr. COTTON asked and was given permission to revise and extend his remarks.)

Mr. COTTON. Mr. Chairman, as a member of the subcommittee which was charged with the duty of considering this appropriation for the mutual security program, I will say a few words although I do not expect to use the entire 10 minutes. I, too, wish to join with my colleagues on both sides of the aisle in expressing my admiration for our chairman, the gentleman from New York [Mr. TABER] and the gentleman from Virginia, and for my colleagues for the faithful and earnest way in which they have grappled with these problems.

I want to say to the House, that this amount, this report of your committee is a compromise. Holy Writ says "Blessed are the peacemakers." But it has been my observation in this Congress that when anyone comes in with what they conceive to be a fair and reasonable compromise, which is the way the legislative process works, that they usually have to defend themselves desperately against both sides and nobody is satisfied. That in a sense is true today. We were dealing with a subject upon which the feeling runs more intense than almost any other subject we have to deal with in the Congress.

First, I would like to say just a word to those who believe this program should have been cut more deeply. I do not expect these gentlemen to pay much attention to what I say because I am frankly one who, since I have been a Member of the Congress, has been a consistent supporter of our foreign aid program under whatever name it appeared from the days of the Marshall plan. I have supported foreign aid during the years of the past under other administrations. It is only natural that I should support it today under the present administration, and I suppose it is also only natural that some of my good friends from the Middle West and elsewhere who do not feel as I feel about it should refer to me sometimes as an "eastern internationalist" and all the other terms that are applied to those of us who believe in the program.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield for a question?

Mr. COTTON. I yield very briefly to the gentleman.

Mr. MILLER of Kansas. I have heard the Marshall plan and the ECA and all the other alphabetical plans held up to scorn here a number of times. I wonder whether the gentleman might say, having said that he supported these plans in the past, whether he has in mind that they have done some good? Would the gentleman say what might have been the situation if these plans had not been brought into existence?

Mr. COTTON. Of course, I will be very happy to reply to the gentleman that I have a very deep conviction that they have not only done some good, they have done worlds of good. They have not been perfect. I am thoroughly aware of the soft spots in them. I am thoroughly aware that some of the money has been wasted and that some of the things that we have done have been foolish things.

On the whole, I think that those who view the matter objectively, in the light of history, will agree that the work of this foreign program which has been an integral part of our national defense has accomplished a great deal of good, and that is why I am still supporting it today.

Let me say to my friends who feel that this bill should be cut more deeply, that it is a deep conviction in the minds of some of us that this is not an aid program, but rather it is what its name implies, a security program. I think that if the Soviet Union had an airbase across the line in nearby Mexico from which they could strike us almost instantly any time they wished, and if because of the fact that a military base is always a military target, they furnished some aid to Mexico and encouraged and bolstered up that country, most of us would say this was hardheaded military tactics rather than soft charity. I think that if the potential enemies of this Nation were receiving from neighboring Canada uranium and other vital strategic materials, and in order to keep their position as a favored customer they made certain concessions to our neighbor, I think we would view that situation with wholesome respect and regard it as smart military defense on the part of our potential enemy, rather than an attempt to win friends with dollars or conduct a giveaway program.

So I have felt from the start that we should continue this program. Within this subcommittee I want to say to you that I presented, to the best of my ability, almost every argument that was presented by the gentleman from New York [Mr. JAVITS], on this floor a few minutes ago. I, too, felt that having called to the leadership of this Nation a man who is regarded as having a better knowledge of the world situation than any other living man, we should go just as far as we can go in giving him the tools to work with, and we should also give to the whole world assurance that we are thoroughly behind this program.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Arkansas.

Mr. NORRELL. I understand that early this year a rather important number of men went to Europe, having some official designation by the now Administrator of Mutual Security, to determine whether or not this program should be continued. I have not heard that discussed yet. If the gentleman is familiar with the report which they made, would he or some other member of the committee discuss what their findings and recommendations might have been?

Mr. COTTON. I thank the gentleman for his question. I wish I had time to answer it, but I hope he will forgive me if I leave it for someone else to answer, because I have only 2 minutes left and there are other matters that I wish to discuss.

Mr. NORRELL. Then I will ask the chairman or the ranking minority member to discuss it sometime during the debate.

Mr. COTTON. Now if I may continue, I was one member of the subcommittee who strove to the best of my ability to see to it that this program was supported by approximately the full appropriations requested by the President.

We found soft spots that should be cut and we cut them but I did not want to see it reduced more than \$500 million and said so. However, I do not agree with my friend from New York. I believe it was our duty to go over it carefully and to make reductions where we honestly believe they should be made. I want to say to my friends who feel it should have been cut more deeply that we did our work conscientiously. I feel that every member of our committee earnestly desired to accomplish the best results for the good of this Nation and I feel bound to support this compromise figure which our committee arrived at.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. COTTON. May I have 2 more minutes?

Mr. GARY. Mr. Chairman, I yield the gentleman from New Hampshire 2 minutes.

Mr. COTTON. I thank the gentleman from Virginia.

May I say a word in these 2 minutes to that other group who appear to be disappointed because the program was cut so much. Frankly, I have been rather surprised as a friend of this program that anybody could interpret the result of this committee's deliberations as in any sense a rebuff to the President of the United States or a crippling blow to our program for mutual security. When you bear in mind that if all of the new money asked for, by the Bureau of the Budget, namely, \$5.1 billion, it was only reduced and reduced carefully after the most painstaking study, by \$700 million; so we appropriated \$4.4 billion, new money for this program. When you bear in mind the fact that there were carryover funds unobligated of \$2.1 billion and that after carefully considering the reasons why these were not obligated and the moral obligations that still exist in that field, they were

reduced by only \$400 million. So they still had reappropriated by our committee \$1.7 billion. With a backlog of nearly \$10 billion obligated but still to spend with \$1.7 billion carryover, and with \$4.4 billion new money they have all the money they can spend effectively or intelligently during the next fiscal year. When you bear this in mind I do not see how anybody can say that our committee has not discharged its obligation faithfully. On the contrary we have taken such action as to reassure the Nation that this Congress is behind President Eisenhower and to reassure a waiting world that this Congress is prepared to continue definitely and firmly, but wisely and frugally, our program for mutual security.

Mr. GARY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. REGAN].

Mr. REGAN. Mr. Chairman, I have no idea that anything I might say here will change a vote, for I think most of us have firm convictions as to whether we are for or against this appropriation.

Last year I spent about 2 months in Europe at my own expense to follow up an idea I have had for several years that this was a throwaway proposition and that we were spending these billions in Europe to bring about a phony prosperity here in the United States and to increase the contempt of the people of Europe for American citizens. I am thoroughly convinced after making that trip that I was right in opposing this expenditure. We started off with a very humanitarian plan, the Marshall plan. They told us that in 5 years we would spend \$17 billion in rehabilitating Europe. We had two objectives: One was a humanitarian desire to get them back on their feet. We had helped to devastate the countries through war and bombings and it was very commendable to help them get back on their feet. The second was that when they got back on their feet they would probably be in position to buy our surplus industrial production and agricultural products; so we had an economic angle along with the humanitarian objective. So we had a two-way purpose in supplying Europe with \$17 billion in Marshall plan aid over a period of 5 years. But we have created additional agencies. We have spent several times \$17 billion in that 5 years. We have built up Europe and its industrial capacity to 150 percent or more of what it was before World War II, to the point now that they are actively competing with us in their manufactured products in all the Latin American countries where we had potential cash customers for our surpluses. We are bringing about in our own country a depression that you cannot avoid if you continue building up Europe as against our own country, and I object to any further expenditures in this direction.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. TABER. Mr. Chairman, I yield the gentleman from Pennsylvania 1 minute.

Mr. FULTON. Mr. Chairman, I rise in support of the Appropriations Com-

mittee figure for the mutual security program. I want to compliment the Appropriations Committee; also the gentleman from New York [Mr. TABER], the chairman; and the gentleman from Virginia [Mr. GARY], the ranking minority member of the subcommittee for the detailed and thorough way they have looked into this program.

As you know, I am one of those who has consistently supported the mutual security program and the foreign aid program; so I want the program to work efficiently but economically. I am not against the program, but I certainly believe it should be administered more carefully, and the United States taxpayers should get more for their aid dollars. I believe that we who are in favor of the program can do no greater good for it than at this time making it efficient and cutting out all of the fat wherever it might be.

As a coincidence, the figure that the Committee on Appropriations has come up with is just \$35 million from my own figure in the various amendments I have proposed here at the time of the authorization debate, and to the two committees considering the legislation. It is just \$35 million below my figure. I do not believe that any people of fair mind can come up with an exact figure on this type of program because of the changes that are made as the program moves along, but my studies both in the Committee and abroad this year, confirm the correctness of this economical approach.

I do believe that there are some provisions, for example, the Children's Fund, UNICEF, aid to Spain, Israel, the Near East, and for various other countries where we have special strategic needs, that there could have been an increase in funds, as well as a designation by the Appropriations Committee so that Congress might emphasize where we feel there should be money expended for certain overall strategic purposes.

I am glad to see that in reference to the special weapons program the amount in the bill has been cut down to \$50 million. That is the amount I felt would be a good start for the program, but not enough to cause a waste of funds and a throwing around of money foolishly. I tried by amendment which I cosponsored with the gentleman from Wisconsin [Mr. SMITH], on June 19, 1953, to reduce this authorization to this figure. This debate appears on page 7139 of the Record for June 19.

If you will look at the report of the Foreign Affairs Committee, a very good report by the way, we showed on page 1 in the revised administration request, a reduction of \$354 million. By the time we got through with our hearings in the Foreign Affairs Committee, the administration had found there were \$354 million that were unprogramed or deobligated that they did not need. Applying that same yardstick to this particular program, in the new money and in the money that has remained unprogramed and unobligated from previous years, there is at least the sum of \$354 million that can be saved, on the experience of this same Mutual Security Agency. Un-

der those circumstances the committee is clearly right in canceling \$400 million of unobligated funds that would otherwise have been carried over from previous years.

On a program of this kind there cannot be specific programing for longer than a period of 18 months possibly; however, as you know, the lead time on many of these articles runs from 25 to 33 or 35 months. Because of the inherent method of manufacturing military goods there are many engineering changes that must be made. Therefore it is a fluid program, so that the total amount is one of judgment in general figures and approach. I might say in conclusion that the figure that the committee has supplied us is a very fair figure. It is a well thought out figure, and it is a figure that any Member of this House, who really wants to see the program succeed, can heartily endorse. There might be some minor changes necessary, but the main program will be safeguarded. The program will be looked at abroad from the viewpoint that we are taking care of the defense and solvency of this country as well as the needs of defense abroad. It will also show a little yankee ingenuity and thought, and a little yankee wholesome selfishness that we are taking care of our local taxpayers.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. The gentleman has always been a very vigorous and enthusiastic supporter of foreign aid programs over the years. I just wondered what caused the gentleman to change his position.

Mr. FULTON. As a matter of fact, I have never changed any position, as I have always voted to cut these programs where possible to obtain economy and efficiency. You recall last year that my proposed amendment, and the amendment I supported which passed, offered by the gentleman from Ohio [Mr. VORYS], were responsible for two of the large cuts that were discussed by this House on the authorization bill in the previous debate. As a matter of fact, had either of those cuts not been adopted there would have been many more millions extra in this program. We, on the committee on Foreign Affairs, then said there was too much money in the program that was authorized last year. I pointed out to you that there was, as the Administration admits, \$354 million that had not been programed or obligated or spent to this time. I am still the same fellow, cutting down for economy and efficiency where I can, but seeing that the program is adequately run, and I am still voting for the program.

Mr. GAVIN. Mr. Chairman, if the gentleman will yield further, does the gentleman actually think that the objectives that were proposed when these foreign aid programs were adopted have been reached, such as breaking down trade barriers in the European countries to bring about progress or prosperity, stabilization of currency and all

the other objectives that we were supposed to reach?

Mr. FULTON. I am surprised, if you favor the Simpson bill, that you would be in favor of breaking down trade barriers.

Mr. GAVIN. Secondly, we wanted to coordinate—

Mr. FULTON. I am sorry, I cannot yield further.

In the report of the Appropriations Committee it is stated that there had been presented to the Committee on Foreign Affairs a mistaken justification; that it contained a mistake of \$1,700,000,000. I cannot understand that, because if the legislative committees are presented one set of figures and then the Committee on Appropriations is presented another, and the General Accounting Office comes up with a 1.7 billion mistake in a figure of \$2,175,000,000, it is just impossible for people who are trying to do a good job in this Congress to make up their minds as to what the figure should be. The Appropriations Committee in its reports says "The entire bill as it is presented makes available in new and retained obligating authority of approximately \$600 million more than was contemplated at the time the authorizing bill was passed." That means that there is more contemplated than the Bureau of the Budget knew, or the Executive knew about in carried-over funds, at the time the program was made up. So, my question is to the Appropriations Committee, did the Mutual Security Agency and the Defense Department submit error figures, that is, figures that there was a mistake in, to the Executive Department at the time of making up this proposal? Because if they claim they did, then there was a mistaken action on the part of the Bureau of the Budget, on the part of the Executive, and on the part of the Committee on Foreign Affairs at the time of the authorization. If that can be proved to be the case, the House ought to see that is corrected, as we are all trying to work out this enormously complicated legislation.

Mr. ROONEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WAINWRIGHT].

(Mr. WAINWRIGHT asked and was given permission to revise and extend his remarks.)

Mr. WAINWRIGHT. Mr. Chairman, I rise in support of the committee bill. I join with my colleague from Pennsylvania [Mr. FULTON] in congratulating the committee on the bill. I do not go along, however, with all the cuts that have been made by the Appropriations Committee. I intend to support a number of increases which I understand are to be proposed. We are a parliamentary body, working out our differences by compromise. This bill will not be completely satisfactory to anyone in this Chamber.

I did want to call to the attention of this Committee a metaphor that was made recently by the President of the United States at an informal dinner party. The President pointed out to a group of young men that the international problems today overshadowed, in

effect, everything else that we do in the world, and in the United States. The most important problem that faces America today is working out a solution to this world situation.

The Soviet Union is bent on a program diametrically opposed to ours. They are working toward world domination. Their weapons are fear, terror, force, and hatred. Our answer to that program, or, rather, one of the answers to the enemy program is mutual security, this bill. Our allies and friends are equally as important in this complex picture as any other phase of the battle plan against the enemy. Mr. John J. McCloy in his recent marvelous book on our foreign policy discusses the importance of our friends. He points out that leadership is never truly loved; that it breeds jealousy. However, we must respond to this leadership we have had thrust upon us. Today is our test here in this Chamber.

Now for the metaphor. The President said the world is divided into two camps, which well we know. His comparison was that of a boat race, a crew race. In one crew, the coxswain was urging the rowers on to work together as a team, to row the boat successfully, in unison, to win the race. He was exhorting them, cajoling them, urging them with all the force at his command. He was using reason as the basis for teamwork. But in the other boat, the coxswain was getting the men to row the boat, but when one of the rowers would not cooperate, the coxswain had a pistol in his hand, threatening to shoot an uncooperative rower. From personal experience in World War II I saw a Russian officer pull out his pistol and shoot a defenseless DP who refused some wine he was drinking. This was 2 days after VE Day.

I think the President's metaphor presents a true picture of the world today. This Congress is being urged in true democratic and constitutional fashion to support this program, a program that in addition to being a weapon for democracy is also a small, cautious step toward world peace. There is no force, no threat, no bodily harm offered or suggested to any single Member of all those here present. We will decide this question of our own free will.

I, for one, will join with many of my younger colleagues in supporting the administration, the President, and our country's policy by backing and voting for this foreign aid program.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ROONEY. Mr. Chairman, I yield myself 13 minutes.

Mr. Chairman, it is not often that I find myself in a position where I must admit that I am utterly confused. But, with regard to what is going on today, between the White House and the leadership on the Hill in both Houses as to the pending bill, I find the situation is one of utter confusion.

Mr. McCORMACK. The gentleman means the Republican leadership, I assume?

Mr. ROONEY. When I used the word "leadership" I meant the Republican

leadership, but I do not imply that there is any real leadership in the Republican Party.

Mr. Chairman, I attended the hearings of this subcommittee on this urgent Mutual Security appropriations request, and I listened to the testimony of men holding such important positions as those held by John Foster Dulles, Secretary of State; former Governor Stassen, who is the Mutual Security Director and administrator of this program; and General Gruenther, who took the place of General Ridgway, who took General Eisenhower's place in Western Europe. And although the majority members of the committee were fully informed by General Gruenther concerning the danger in and the vulnerability of Western Europe and advised by him as to the means through which security there might be obtained, they chose to utterly disregard the advice given them. Yet, no one on the committee or, for that matter, here in the House has questioned the facts in the matter. No responsible Republican has disputed the facts as alleged by General Gruenther or the conclusions which he presented to the committee. And then the committee, after having conferred a week ago today at a breakfast session with President Eisenhower which lasted more than an hour and a half, went back to our committee room and proceeded to cut the President's figures by \$1,100,000,000.

What do we find the leadership of the House doing about this? Only this morning we heard the majority leader, the distinguished gentleman, my friend from Indiana [Mr. HALLECK], announce that this bill will "go through pretty much as reported by the committee." A minute or so later I went outside to read the Associated Press wire reports, and I found that at about the same time that the gentleman from Indiana made that statement President Eisenhower was quoted as having said that he "thinks a billion-dollar cut in foreign-aid funds approved by the House Appropriations Committee goes too deep." He was quoted as having further said that "the yardstick"—in this appropriation matter—"always must be America's own security." The Republican President believes that the House committee went too far in their meat-ax cut. Yet, we find but one Member from the majority side of this aisle who has the courage to get up here and announce that he is going to present some amendments which will increase the amounts allowed in this bill—I take my hat off to him—the distinguished gentleman from New York [Mr. JAVITS].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. McCORMACK. Only the other day, when we had the Defense Department appropriation bill up for consideration, an attempt was made to put in \$1,175,000,000 to assure adequate air defense and protect us in case of a sneak attack, and the Republicans were saying that President Eisenhower is the best man to know of those things, and they relied on him, and today they do not rely on him.

Mr. ROONEY. No, in fact they utterly ignore his judgment. At that 1½ hour session at breakfast at the White House a week ago today, the members of this committee listened to the President describe in detail the importance of this program. They heard him say that there was not a watered dollar in the pared-down request, and that it had been reduced to the minimum. In answer to a question put to him by the gentleman from Missouri [Mr. CANNON], the former distinguished chairman of the House Committee on Appropriations, he stressed the point that the Hill could no longer rely on what had been accepted or what was said to have been accepted procedure—that the Appropriations Committees were always presented with enough fat in each request to cut out so that they could make sensible cuts and make some real economies, but insofar as this mutual security request was concerned—and not only this request but all requests sent up by the Bureau of the Budget and the Director of the Budget, Mr. Dodge, was present at that breakfast and agreed—every single item of the President's budget was 100 percent solid.

A week ago I stood in the well of this House and discussed before you the matter of the 46-percent cut in the funds requested by the President for the Voice of America. It did not do much good. As far as the leadership in the White House was concerned, nothing was said that day or the day before or the day after with regard to the importance of the requested Voice of America appropriations. Perhaps President Eisenhower feels that there is only one legislative house up here on the hill, and that is the other body, for it seems that it is in the other body that the President places his reliance to do the sensible thing.

It was just a week ago today here in the House that on a roll-call vote designed to restore funds to the Administration's level \$80 million for the Voice of America, there were 177 Republican Members who voted against the President. What do we find to be the situation on Voice of America funds today? This morning's Washington Post carries the story:

DULLES TAKES ISSUE ON ANY BUDGET CUT

Secretary John Foster Dulles said yesterday the State Department's overseas information program has done a splendid job on the whole, and he greatly hopes Congress will not sharply curtail its funds.

We also find an expression on this by the President today, a week later, carried on the Associated Press wires. Listen to this, after the action of 177 Republican Members a week ago:

President Eisenhower is highly disturbed over the slash by the House in funds for the State Department's overseas information program, Senator H. ALEXANDER SMITH said today.

And the Member of the other body stated that the President authorized him to disclose his feelings as being such.

And what did the Member of the other body say about the action of the House in regard to the Republican cut in Voice

of America funds? Exactly what I called it in the well of this House 1 week ago: "A meat ax cut." And he said that the action of the House "would take the heart out of the program."

Just a while ago we heard the gentleman from New Hampshire [Mr. COTTON] say that he hoped that no Member will consider the action of this committee a rebuff to President Eisenhower, in face of the facts I have just outlined to you; or a blow to our program for mutual security, after what he was told by General Gruenther, not only in the committee room but in the White House at breakfast last Wednesday morning. And after General Gruenther warned all of us that all the power and the might of the ruthless machine are still intact in the Soviet empire.

The gentleman from New York [Mr. WAINWRIGHT] said something about his coxswain shooting those not rowing the boat. Let me say to you Republican Members of the House that the President would run out of ammunition if he were to try to shoot all of you on that side of the aisle who were not rowing his boat. But he does not propose to waste any ammunition on you. He is going to use his ammunition over in the other body, and you are going to sit here and vote an empty action. That has happened on practically every appropriation bill this year. You have seen the bills come back from the other body loaded with extra funds, and you have accepted them. You are going to have to accept them.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Michigan.

Mr. FORD. I would like to ask the gentleman from New York whether or not on the occasion that this subcommittee reported this bill did he make any personal objection to the funds that were allocated or recommended for appropriation?

Mr. ROONEY. The gentleman knows I made blanket objections against cutting the bill below the amount requested by President Eisenhower, and I think every committee member clearly understood that. I am sure the gentleman from New York [Mr. TABER] knew that immediately following the breakfast with the President.

Mr. FORD. But let me ask the gentleman specifically, at the time the subcommittee wrote the bill in finality did the gentleman make any personal objection to the funds allowed?

Mr. ROONEY. I will say to the gentleman that I was not present at the moment when the committee wrote the bill in finality. I had already announced my feelings in this matter before, during and after the time you cut out the first \$300 million.

Mr. MARSHALL. To substantiate what the gentleman from New York is saying, I would like to call attention to the fact that the Minneapolis Star Journal this past week carried a story to the effect that in the House only three Republican Members of Congress from the midwest were supporting the President of the United States. I wish that paper

had seen fit to publish how the Democratic Members of this Congress supported the President of the United States.

Mr. ROONEY. Exactly so. I wonder if on this bill there are going to be three Republican Members to support it after what happened with regard to the Voice of America last week.

I have in my hand a clipping from the New York Times under today's dateline which says:

Republican leaders of the House of Representatives refused today an administration appeal to sponsor the restoration of part of the \$58,263,000 cut in technical foreign aid ordered by the appropriations committee.

I shall insert the remainder of the article:

Harold E. Stassen, Director for Mutual Security, and Joseph M. Dodge, Budget Director, conferred with Speaker JOSEPH W. MARTIN, Jr., on the possibility of having part or all of the money put back when the House takes up the Mutual Security appropriation bill tomorrow.

Late in the day, the House leaders agreed that the disposition of the separate appropriation items in the bill was a matter for "floor determination," indicating they would not ask Republican Members to upset the Appropriations Committee recommendations.

The money involved would pay for technicians and some equipment sent to economically underdeveloped areas to improve living standards and thus lessen the appeal of communism. The administration requested \$130,263,500 for technical aid but the appropriations group reduced the amount to \$72 million.

President Eisenhower was urged in a telegram from Mrs. John G. Lee, president of the League of Women Voters, to lead in getting the cut restored.

Representative JOHN W. MCCORMACK of Massachusetts, the Democratic whip, has pledged the support of Democratic Members of the House behind a presidential move to restore the technical aid cuts.

But that is not astounding. I understand that this morning at a press conference the leadership of the House said that they were for the full amount of the President's request, that they were against the action of the Committee on Appropriations in cutting the President's mutual security program, but when asked if any amendment was going to be offered officially by the leadership on the Republican side to restore that money, said it would be restored in the other body. Now, is not that a fine way to run a legislative railroad?

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. MCCORMACK. I understand there was a reduction in the appropriation in connection with technical assistance for South America.

Mr. ROONEY. Yes; to the extent of almost \$10 million. This would wreck our relations with our friends to the south of us.

Mr. MCCORMACK. And the President's own brother is down there now.

Mr. ROONEY. Exactly so.

Mr. MCCORMACK. As the representative of our country trying to bring about better relationships, yet here today we are making his journey and his mission more difficult.

Mr. ROONEY. Exactly.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to my distinguished friend from New York.

Mr. JAVITS. May I say to my colleague—

Mr. ROONEY. I know that the gentleman agrees with me but not with the manner in which I have expressed it.

Mr. JAVITS. May I say this to the gentleman without his putting words in my mouth—and I appreciate his yielding and respect him as a friend and colleague—may I say that we have yet to see what the House will do.

Mr. ROONEY. I will say to the gentleman from New York that I am predicting right now that the responsible leadership on that side of the aisle is not going to support any amendment here today; that they expect the money to be restored in the other body, I think I am making a fairly accurate prediction.

In conclusion, let me say that I shall uphold President Eisenhower in any and every amendment offered by those on the majority side of the aisle to restore the funds he requests. If he does not know the facts in this vital matter, God help us. It surely is a strange situation when a Republican House shows so little faith in the judgment of the man who led their party in their victory less than a year ago.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, the gentleman from New York [Mr. ROONEY] says there is no majority leadership and erroneously charges that the majority does not go along with the President's request for funds for MSA. The gentleman who, like most of his party associates during the last administration, knew no limit to the authorization of funds for any project proposed by the "money-mad," "spend and tax" leaders, seems incapable of evaluating expenditures of taxpayers' money with the knowledge that a debt is a moral obligation of government just as much as it is a moral obligation of an individual. This is evidenced by the fact that a "scream" goes up immediately whenever an appropriation which would result in one of their Democrat friends losing a fat job is being considered.

I opposed the original MSA bill this year because of my feeling that we were appropriating funds we did not have and could not hope to have, even with the returns expected from our high basis of taxation. However, I am fully aware of the necessity for continuance of some of the work of MSA on a limited basis until such time as this work can be finished. I am convinced that President Eisenhower is as anxious as any of us to hold these expenditures within our financial ability to pay, and on that basis I am willing to vote for this bill.

If need for more funds is demonstrated later, on anticipated developments, I feel certain that our leaders are in a position to make this need plain to the Congress and that the Congress

will wholeheartedly go along and give consent for such an appropriation.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. DAVIS].

[Mr. DAVIS of Wisconsin addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Michigan, Mr. FORD.

The CHAIRMAN. The gentleman from Michigan is recognized for 9 minutes.

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, after listening to the remarks of the gentleman from New York I cannot help but recall that on January 9, 1953, the then President of the United States, Mr. Truman, requested in the budget for the so-called foreign-aid program the sum of \$7.6 billion. It rather amazes me that now we find the gentleman from New York and those on that side of the aisle trying to argue that they are supporting a Republican President at a figure of approximately \$5.1 billion. In itself it is an admission on the part of the gentleman from New York and others who support that point of view that a Republican President can do the same job and do it better for a good bit less money.

Mr. Chairman, before making a comment or two about a few technical points, I would like to say in defense of this committee that not one Member, whether he be on the majority or minority side, felt that we should be rubber stamps for either a Republican President or a Democratic President. Under the Constitution—under our form of government—it is expected that the Members of the House and Senate will act independently, bearing in mind recommendations from the executive branch of the Government. To act otherwise would be an abandonment of a responsibility which has been placed upon each and every one of us. I doubt that anyone should in the future consider any request from the executive department as untouchable or sacrosanct. I know that in this particular instance the members of this subcommittee of the Committee on Appropriations have acted responsibly and in their best judgment as to what sums we should recommend to this body as an appropriation for this program for fiscal 1954.

Throughout the hearings there was considerable discussion about the problem of dual obligations. It has been pointed out, I believe in the committee report, that there were approximately \$660 million of so-called dual obligations. That problem arose because of an investigation by the General Accounting Office which was initiated by the House Committee on Appropriations. These GAO investigators found that on the day or days they made the investigation there were some instances of what they called dual obligation.

Let me explain that technical point, if I may. It is not the way that it could or might be painted. It is an honest book-keeping situation or problem which I believe has now been straightened out to a large extent. Let us take this specific example.

On January 1 of this year we will say that the Mutual Security people made an obligation for an X number of tanks. That was a legitimate obligation under the old rules, regardless of when those tanks might actually be delivered. Assume that those tanks might be delivered 6, 8, or 10 months later. We will say that in April of this same year it was found through a revision of the military requirements on a global basis that they could get tanks within 30 days from another source. As a result such an obligation was made and those tanks were acquired and delivered.

In that period it is perfectly feasible for two obligations to be on the books—the original obligation made in January and the second obligation made in April. It takes time to wipe out the January obligation and to go ahead and acquire the deliveries under the April obligation. In other words, in my judgment from discussions I have had with responsible people in the agency and from the testimony, I think that our committee has taken into account the dual obligation problem and has made certain legitimate reductions where we found they were not single obligations but, rather, actually dual obligations.

In my judgment this is a memorable occasion. The wisest seer, the most intelligent oracle, a year ago could not have visualized the gentleman from New York [Mr. TABER], the distinguished chairman of this committee, and the very able, conscientious, and competent gentleman from Virginia [Mr. GARY] bringing a bill to the floor of this House unanimously, with their respective points of view identical. I think it is a tribute to the wisdom and the ability of the distinguished gentleman from New York that he has been able to work with those with whom he might have fought in the past and to come to a unanimous point of view on a program that is important and vital to the security of the United States. Would any man in this House doubt the record of the gentleman from New York in reducing expenditures, in cutting appropriations? Of course not. Those who might feel that further reductions could or should be made to this appropriation bill should think twice, follow the leadership of the distinguished chairman of this committee, the gentleman from New York [Mr. TABER]. His record is unblemished in seeking economy in Government. His point of view on this bill is sound. The record shows that this bill as brought to the floor of the House calls for a reduction in the January 9 figure as requested by the former President of over \$3,600,000,000. I say to my friends who are sincerely interested in economy that the effort of the gentleman from New York, the chairman of this committee, in bringing about reductions of this magnitude, is a great effort and one that should be appreci-

ated. No effort in my judgment should be made to embarrass him in any way whatsoever.

Now let us turn to those who might feel that we have been somewhat overly economical in the handling of this appropriation bill.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. How much is the carryover that has not been spent, that we have formerly authorized?

Mr. FORD. The total carryover in this bill which is recommended by this committee after careful, deliberate investigation, and analysis is \$1,700,000,000.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from North Carolina.

Mr. JONAS of North Carolina. As I listened to the gentleman from New York, assisted by the acting minority leader, the gentleman from Massachusetts, comment about the desirability of Members of the House voting just exactly the way the executive departments always suggest, I wondered what they think we are doing here. Is it the conception of the gentleman from Michigan that a Member of Congress has any individual responsibility on the question of voting appropriations or does he believe that we ought to be rubber stamps and just blindly approve appropriation requests made by the executive departments down town?

Mr. FORD. In reply to the gentleman from North Carolina, of course, he knows, and I am sure all of you know, that under no circumstances should we abdicate the responsibilities that we have to act independently, within the knowledge we acquire, and within the scope of our authority on all matters both legislative and appropriationwise.

Now, if I may, I would like to make one final point. I refer to those at this time who would like, perhaps, to increase this bill. The gentleman from Virginia has fought valiantly, vigorously, and intelligently for funds on some occasions which have been higher than a good many people on both sides of the aisle would like to see in this appropriation bill. The gentleman from Virginia on this occasion this year was a patient, capable questioner of all the witnesses that came before our subcommittee. His vast knowledge of the facts and his good judgment as shown by the record has convinced him, after we heard all the evidence, that the reductions which we have recommended are not only desirable but necessary for the financial security and integrity of the United States. Let me say, in conclusion, this bill provides for obligations in the fiscal year 1954 of over \$6 billion, which is more money, in the way of obligational authority, than the mutual security program has ever spent in any one fiscal year. In my opinion we should not upset the boat, we should not destroy the equilibrium, and we should not upset the balance achieved by the committee. We

should stick with the committee and follow the leadership of the distinguished gentleman from New York [Mr. TABER] and of the gentleman from Virginia [Mr. GARY].

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARY. I yield the gentleman 2 additional minutes, Mr. Chairman.

Mr. FORD. I appreciate the gentleman's generosity.

Mr. COUDERT. Mr. Chairman, would the gentleman yield for a question?

Mr. FORD. I yield to the gentleman from New York.

Mr. COUDERT. I wonder if the gentleman, a member of the subcommittee, would answer 1 question just to set the record completely straight on 1 point. I believe that the carryover unexpended balances for this program total \$9,919,000,000-plus. Would the gentleman confirm that as correct? Actually, I will say, that I got that figure from the clerk of the committee.

Mr. FORD. That is approximately correct. I cannot verify the exact figure from the well of the House.

Mr. TABER. The unexpended balance is \$10,333,600.

Mr. FORD. I assume that is correct. I do not have that exact figure in front of me.

Mr. COUDERT. Therefore, if the bill presently before the House is passed, with its new obligational authority of \$4,428,000, there will then be available for this program the sum of \$14,300,000-plus.

Mr. FORD. I think that is right. I am assuming that is correct. We must bring up at this point the question that we always face when we are talking about the procurement of heavy military equipment, whether it be for our own military forces or whether it be for those who are our allies. We have found in this program from the testimony given us that in some instances there is a legitimate lead time of almost 4 years.

Mr. COUDERT. I understand that, but the reason I think the point is important is in support of the committee's position in having made a reduction in the administration's request for new obligational authority.

Mr. FORD. In which I concur.

Mr. COUDERT. I think it is important to note that in reducing by \$1 billion we are not reducing from \$5 billion but from \$14 billion.

Mr. FORD. That is correct.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mr. WAINWRIGHT. Referring to the political discussion we had earlier with my good friend, the gentleman from New York [Mr. ROONEY], I wonder if the gentleman would clarify one point, as to whether my friend from New York [Mr. ROONEY] in the committee at any time tried to add to the appropriations, as he suggested; he did not say that, he suggested it. I wonder if the gentleman would clarify that for this committee.

Mr. FORD. I do not like to reveal other than that which the gentleman

himself revealed on the floor, as to what took place in an executive session of the committee. The gentleman from New York [Mr. WAINWRIGHT] heard the reply to the comment that the gentleman from New York [Mr. ROONEY] made in reply to my question. I think the RECORD had better stand on that.

The CHAIRMAN. The time of the gentleman has expired.

There being no further requests for time, the clerk will read the bill for amendment.

Mr. JAVITS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and nineteen Members are present, a quorum.

The Clerk read as follows:

Military assistance, Europe: For assistance authorized by sections 540 and 548 for the purpose of section 101 (a) (1), \$1,860,000,000, together with not to exceed \$1,100,000,000 of the unobligated balances of appropriations heretofore made for military assistance, Europe, which balances shall be consolidated with this appropriation;

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 2, line 8, strike out "\$1,860,000,000" and insert "\$2,172,000,000."

Mr. JAVITS. Mr. Chairman, this is the first of the amendments which I will offer to this bill to reflect, and I emphasize this, the recommendations and the views of the President of the United States. I think it is important to make it clear that, of course, every Member of the House will exercise his own discretion and his own good conscience, and I think the President would be the last person in the world, and everybody here knows that without my saying it, to believe that he could or should dictate to any legislator or even to want to. But, it is important to have the point of view of the President presented to the House, and I present it. I think it is a great honor to be permitted to present it as a Member of the great Committee on Foreign Affairs.

Mr. Chairman, the subcommittee has seen fit to reduce the President's recommendation on this fundamental item, and this is the heart of the bill, of military aid to Europe by \$312 million. I believe the House should restore that figure for the prime reason that if we want the mission to be performed for which we are passing this bill, this is a very fundamental figure that we have to restore. We are expecting those who are participating in the mutual security program in Europe, to meet what are called certain force goals. The Senate report upon the mutual security bill sets forth that in Paris in April, the ministers of 14 member countries of the North Atlantic Treaty Organization adopted firm force goals for 1953 and provisional goals for 1954. We have been urging those nations to meet those goals, which represent divisions and aircraft.

The figures are, of course, secret, and we cannot discuss the detailed figures of

how many divisions there will be and how much aircraft there will be, on the floor of the House. But it is a pretty well adopted understanding throughout the world—see New York Times of January 14, 1953—that the aggregate objective for Western Europe is something in the area of 95 divisions, which is needed for Europe's defense; that great progress is being made toward the attainment of that objective and that for the equipment of these divisions, the United States is being heavily relied on.

Let us remember that when this mutual security program was presented to us for fiscal 1954, it was designated as a tight budget. That is exactly what the President said and the Secretary of State said, and what the Mutual Security Administrator said. Let us remember also that 50 percent of the funds, and I emphasize this, 50 percent of the funds which are allowed in this appropriation bill for military aid to Europe are going to be tied up until the European Defense Community is formed. So, by cutting this item further by \$312 million, which is, roughly speaking, a cut of an additional 15 percent, we are cutting down further upon the immediate availability of money, which is already tight enough both due to a tight budget and the fact that 50 percent is tied up awaiting the organization of the European Defense Community.

Europe itself, and this is extremely important, aside from risking the life and limb of its manpower—and Europe is sadly depleted in manpower having gone through two terrible world wars and the terrible persecution of the Nazis under Hitler in this century—free Europe itself is spending this year as against our foreign-military-aid appropriation now sought to be cut to \$1,890,000,000—Europe is spending \$14,900,000,000 for defense. This is from its own resources, out of the backs of those people who enjoy a standard of living—and this is based upon their national-income figures—about one-fourth of the standard of living of the American people.

Let us see what America is buying for that, in terms of security. It costs about one-third to maintain and equip a European soldier as against an American soldier, according to the following table:

TABLE I.—Estimated cost of equipping and maintaining a United States and European Army division for 1 year

[Weighted averages of infantry and armored divisions]

Category	European-type division (with support) ¹	United States division (with support)
1. Military personnel costs.....	\$31,000,000	\$114,000,000
2. Major production and procurement.....	265,000,000	355,000,000
3. All other operating costs.....	16,000,000	45,000,000
Total.....	312,000,000	514,000,000

¹ European-type division costs were computed by taking weighted-average cost of divisions from Belgium, France, Italy, and the United Kingdom.

² About half of this total consists of United States MDAP equipment.

TABLE II.—Military personnel costs¹ of principal NATO countries for 1 year

[In United States dollars]	
	Total cost
United States.....	\$3,260
Canada.....	3,250
United Kingdom.....	1,211
Belgium.....	1,183
Norway.....	1,108
France.....	1,097
Netherlands.....	894
Denmark.....	883
Italy.....	744
Greece.....	590
Portugal.....	374
Turkey.....	340

¹Includes pay and allowances, clothing and subsistence. Average for Army, Navy, and Air personnel.

So, first, for our \$2 billion, in round figures, we get \$14,900,000,000 of European defense appropriation.

Second, in terms of manpower, we get manpower at the ratio of at least 2 to 1 to what we could put in the field for the same amount of money. This is only commonsense.

Finally, a big part of this appropriation represents what is called "infrastructure." That is, construction of airfields and similar installations in Europe. In this respect the United States pays 42 percent and our European allies pay 58 percent. We are jeopardizing that program by this very material cut of 15 percent.

The President is absolutely right when he says we should not make this cut. I say, in deference to his views as a great leader whom we have elected expressly for this purpose, the first time he comes to us for aid in implementing the foreign policy of the country we should at least follow his minimum views on a tight budget with all of these restrictions that we have put in.

The CHAIRMAN. The time of the gentleman from New York has expired. (By unanimous consent, Mr. JAVITS was granted 2 additional minutes.)

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Massachusetts.

Mr. HESELTON. Do I understand the gentleman's amendment does not restore the full amount of the President's request, or would approximately reach that amount?

Mr. JAVITS. I am glad to answer the question. I am not seeking to restore what the committee has done with respect to unobligated balances. My reason for that is this: Unobligated balances are a very complicated subject; a subject which had better be settled in conference. I do not think we could get it fully understood here and therefore I am not going to try. Therefore, I am confining myself to the restoration of the new money, which represents close to half of the total cut in the military aid item.

May I finish by reading what General Gruenther said. He is a top authority—and all of our great military minds, General Eisenhower, General Ridgway, and General Gruenther support this program exactly as it is. This is what he said to the subcommittee, at page 666 of the record of its hearings:

Now, as a United States citizen, I view this purely as a defensive program—a program for United States security. I know the term is being used that it is a "giveaway" program. And, if it is a giveaway program, I say it should be stopped. I think very firmly, if it does not have a security value for the United States and the free world then, if it is to be a philanthropic bill, we should do something about it. That is my own personal view.

I have a further view. That is, I feel from the standpoint of the money value involved that we get a tremendous return.

So that in the interest of the security of the United States, in the interest of the money value return itself, here is one of America's greatest military minds who tells us that we ought to do exactly what my amendment urges we should do. I think that is the least we can do to keep faith with our consciences and keep faith with the security of the United States.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, I feel in duty bound to point out some facts with reference to the state of the unobligated balances which may have an effect on this amendment and which will influence my own vote. Earlier today I had a colloquy with the distinguished chairman of the Appropriations Committee [Mr. TABER] in which I gave the House to understand that the Foreign Affairs Committee had been informed that there was an unobligated balance of \$1.6 billion, but that the Appropriations Committee had been told that the unobligated balance was \$1.992 billion and stated that this difference practically accounted for the rescission of about \$400 million in this appropriation bill.

What actually happened was that this \$1.9 billion plus was reported to our committee by the Defense Department, as shown on page 1204 of the authorization hearings, but \$400 million of it was subtracted from the ceiling set by our committee as savings requested by the Defense Department, and this accounts for the \$1.6 billion unobligated item reported by our committee. As a matter of fact we cut this authorization item \$417 million. I find that substantially the same amount as reported to our committee, \$1,977.5 million, was given to the Appropriations Committee, as shown by their hearings, page 705.

There are some dual obligations involved here that should be taken out, but that cannot be cured by double cutting, that is, by using the same savings twice. I fear that my remarks earlier in the afternoon may make some people believe that the savings of \$400 million can once more be applied to this bill. We applied that savings in setting the ceiling;

therefore, the appropriations cut is a very real cut in the appropriations needed for the European forces, and I believe the cut should be restored.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, in 1948 we came in here and appropriated money for the Marshall plan, a plan which the Committee on Foreign Affairs told us would end in 1952. That year was given as the danger date when Russia might attack us. We now find ourselves well into 1953 with very little evidence that they are going to attack us. We have been hollering peace—the past President and this one too, I guess—and everybody wants it, yet we are sitting here and appropriating \$400 million to give to France to carry on a war in Indochina on the excuse that they are fighting Communists. But we are giving France \$400 million just so they can protect their financial structure in Indochina. I think it is about time we stopped appropriating money to carry on wars for other people. This country wants peace, and the only way we will be able to get it is to stop helping these other nations go to war. The people in this country do not want war, and the less we appropriate for war the better.

I ask the gentleman how much of a carryover we had and he said a billion and something, yet the next minute another Member gets up and says we have \$10 billion and says it is right. I ask you if it is not about time we found out what was going on? What do you suppose the people back home know if we here representing them do not know ourselves?

I say, Mr. Chairman, we ought not to add anything to this kind of budget; we should cut it, and cut it, and cut it. As far as I am concerned we can cut out all of it and still have \$10 billion to throw away on aid to Europe and Asiatic countries.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, I am supporting this amendment because I believe it is a completely sound one but primarily because I know and you know that the President of the United States wants it adopted. I hope we will not kid ourselves any longer this afternoon. You know what he said in his original message, you know what has happened and what has been reported in the press when the members of the Appropriations Committee met with them; you know what is out on the news ticker this afternoon and what is in the afternoon press.

The cut is too deep, the President says. Well, as the gentleman from New Hampshire [Mr. Corron] so well said this afternoon, if there is a single person in all the world who knows what we ought to be doing in this field in order to protect our own security it is the President of the United States.

I do not intend to be lined up against him by anybody's action. I intend to support him, particularly in connection with this bill.

Mr. Chairman, I want to emphasize the first paragraph of his original message on May 5:

The mutual-security program for 1954 has been developed by the new administration after the most careful study and deliberation. All elements of the program have been reviewed in great detail, all proposals subjected to thorough scrutiny.

I suggest that since that time in good faith he has gone over these recommendations now before us. He has honestly told us that he cannot go along with them.

I intend to support the President of the United States by voting for the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, when you approach a proposition of this kind you approach it from the standpoint that you are going to be honest with yourself and honest with the United States on what is needed and what they can best justify.

What happens here? In 1953 they were able to obligate \$1,990,000,000. We have made available here through direct appropriations and reappropriations, \$2,960,000,000, or, practically one and a half times what was obligated in 1953.

Are we going to be honest with ourselves and realize what they can do and what they can obligate? Or are we going to embark on a program that somebody has not thought clear through?

For my own part, I have supported the President of the United States just as far as I could on all things. I have come to a conclusion. He asked us not to appropriate what was in the budget but to go along on the basis of what we found were the facts. We have found what the facts were and we have told them to you here. We have brought the bill here on that basis.

When you have a situation where the unobligated balance was increased above the same amount available, \$800 million in the year 1953, I do not feel that we ought to vote for an increased appropriation of \$312 million.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS and Mr. ROONEY) there were—ayes 41, noes 102.

So the amendment was rejected.

The Clerk read as follows:

Mutual defense financing, defense support, economic and technical assistance, Europe: For assistance authorized by sections 541 and 548 for the purpose of section 101 (a) (2), \$218 million, together with the unobligated balances of appropriations heretofore made for assistance to Spain, and not to exceed \$37,500,000 of the unobligated balances of appropriations heretofore made available for aircraft production in Italy;

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 3, line 12, strike out "\$218,000,000" and insert "\$268,200,000."

Mr. JAVITS. Mr. Chairman, I determined at the initiation of this matter to be perfectly fair with the House. It is my intention in presenting the views of the administration to the House, therefore, to proceed by taking one item of each of the major categories of the bill which is sufficient to present the issue of the President's recommendations to us.

As you will note, the military items have been passed and we are now at the item of defense support, and in respect of this particular item the President has recommended—and again I refer to the communication from the President dated July 16, 1953—\$268,200,000. The Committee has allowed \$218,000,000 and I am moving to restore that amount.

Defense support—and this I think needs to be emphasized time and time again—is military aid. It is not in the form of guns and ships and planes and tanks which are called end items but it is in the form of economic goods, whether it is leather or steel or oil from which our overseas allies make ships and guns and planes and tanks. So that when we speak about defense support we are not speaking about economic aid; we are not speaking about a substitute for the European recovery program. We are only speaking about the necessary materials which are required by our overseas allies for the purpose of creating military goods. The funds requested under this particular item and their disposition is spelled out very exactly in the report of the Committee on Foreign Affairs upon the original authorization bill—pages 12–13. It shows that of this amount, in round figures, some \$20 million will go to Austria; some \$15 million to Germany; \$20 million to Greece, \$20 million to Italy, \$10 million to Spain, \$50 million to Turkey, and \$70 million to the United Kingdom—there having been a cut of \$30 million in the original amount requested—and \$45 million for Yugoslavia. These are the nations concerned.

One other point in this respect. There was an item in the authorization bill of \$24 million to help the overseas areas of the European countries. That amount was completely stricken out by the Committee on Appropriations. It was intended that that amount would be used to produce metals and materials with which the European countries could help themselves in respect to defense support. So that the committee has not only cut, roughly, \$50 million off the defense-support item—and which, as I pointed out to you, is a military item—but has also cut an additional \$24 million off of it which could have been used by the NATO powers to develop raw materials in their own overseas territories subsequently to be used for military purposes.

We stand on the floor here very often and talk about these foreign countries and what they do and do not do. Let us understand that the majority of them, the United Kingdom, France, Italy,

Germany, show annual incomes for their people as against our annual income per capita of over \$1,800 per year, of about from four to six hundred dollars per year, varying with the different countries, and that their defense expenditure as a percentage of their national incomes and their gross national products, is generally just about the size of ours. It is running something like 7 percent of the gross national product of the United Kingdom and France, except in the poorest of those countries which is Italy, where the percentage is something like 4.2 percent. It seems to me that the European nations compared to their resources are making a stupendous effort to arm themselves, that we have been very successful in giving the initiative to them toward arming in their own defense, and that therefore, when we come to what is a military item, such as defense support, where we are cutting it not merely \$50 million but \$75 million, close to one-third, then I say that the cut is much too deep. I believe the President's point of view should be honored here and it should be honored in each one of these major items when he is first getting started, in order to enable him to get this mutual-security program going as he thinks it ought to go.

Mr. H. CARL ANDERSEN. Will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Did the gentleman, while the authorizing bill was on the floor, offer any amendment of this nature to this particular section?

Mr. JAVITS. It was not necessary, because the authorizing bill had enough money in it to cover the situation overall.

Mr. H. CARL ANDERSEN. The gentleman is mistaken. We have in this particular section come within \$200,000 of the amount authorized by the House.

Mr. JAVITS. The Foreign Affairs Committee cut this amount very materially, from \$300 million to \$200 million. I opposed that cut in the committee. It is very well known what my views are on this whole situation. My position has been entirely consistent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHEELER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as strongly as I feel on this subject, I do not flatter myself to believe that I can change the thinking of a single Member on this issue. I take this additional time merely to ask a few questions. Before asking the questions, I would like to make 1 or 2 comments.

For the past 6 years I have been accused of voting with the Republicans. I would like officially to deny any such charge. I voted against the so-called Truman program 90 percent of the time for the past 6 years and yet I have never voted with the Republicans. I hope I never do vote with the Republicans. The truth of the matter is that starting about 6 years ago, the majority of the Republicans started voting with me and it paid off for them last fall. Now that

you are elected, you forsake my philosophy and adopt that which I have opposed.

The reason I was against the Truman program in general and the foreign program in particular is that about 7 years ago, when I first came here, I was told that our foreign policy was predicated on the premise that we were to expend every possible effort in fighting communism. Not long after that, I found that we were telling Greece and Turkey that if they tolerated any Communist in their government, we would cut them off without a cent. Then within the same year, in a very contradictory manner, we sent an emissary to the China of that time, and told them that unless they did allow Communists into their government, we would cut them off.

I objected to any such contradictory policy as that. I objected to a policy which continued year after year to tax incentive out of the American people to furnish Great Britain with supplies to be used in manufacturing goods which were then sold to the Red Chinese, and then used to kill our men in Korea. Of course, the architects of our foreign policy have told me and told you that if we would continue with these alphabetical programs, and if we would continue to send money and materiel, we would not have to send our men to foreign fields. So we end up sending them to Korea. Did you vote to send them to Korea?—did you? The Constitution which you swore to defend when you took office here requires that before war is fought by this country, it be declared by whom?—by the United Nations? Did the people in your district vote for any of these people at the United Nations at "Lake Failure"? Did they? No; but they voted for you and you came here and raised your hands and solemnly swore to support and defend the Constitution of the United States. As I say, we were told if we did these things, our men would not have to be sent to foreign battlefields. Now, how many divisions do we have in Europe? How many casualties do we have in Korea? What do you propose to do in this bill for various other parts of the world? Can you assure me here today that if I vote for this additional program, and provide \$15 billion to be spent during this fiscal year, that our boys can be brought home again? Where, I ask you—that is the reason I took the floor—I want my Republican friends to point out for me—and I would like the next speaker in the well of the House to show me wherein your foreign policy basically differs from that which you cursed so loudly and so long last fall. I would like to know where your policy differs. I know, I listened to the radio and read the newspapers, and I heard your various candidates, and speakers who were speaking in the interest of various candidates, say that if you will turn this show over to us, if you will elect a Republican President, and if you will let us control the Congress, we will change this thing—we will do an about-face. Wherein have you done that? You excuse a lot of your fiscal problems by saying that those were left by the Truman administration. Did you not know that the foreign policy

was going to be left to you by the Truman administration when you were making those promises last fall? Did you not know enough about the budgetary and fiscal matters in this country to know that those problems would be on your shoulders? And yet you glibly went throughout the length and breadth of this land leading American fathers and mothers to believe that your foreign policy would be different and that all of these other things would be improved.

Mr. Chairman, I want the next speaker or some speaker to tell me—I insist—wherein your policy has been changed. Are you not still sending materiel to Britain to be sold in turn to the Red Chinese to be used to kill American boys?

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I yield to the gentleman from Indiana [Mr. BRAY].

(Mr. BRAY asked and was given permission to revise and extend his remarks.)

Mr. BRAY. Mr. Chairman, I wish to oppose the amendment to increase the proposed appropriation for foreign aid. It has been mentioned that the President does desire a larger appropriation for foreign aid. Before proceeding further I want to emphasize that I am friendly toward the President's idea of giving both military and economic aid to the free world, but I do want to especially emphasize that it is a duty of the Congress to determine how far the American people can afford to go toward the goals set by the President. It is the duty of the Congress to be helpful in the program which is laid down by the President and also to safeguard the interests and welfare of the American people at all times. If it were the duty of the Congress to follow in toto the program laid down by the President, then there would be no need for the Congress—the legislation could be made by the President by decree.

There is no one who would be more interested than I in seeing all of the peoples of this world properly clothed, housed, and fed. I have seen homeless starving peoples in foreign lands; my heart has gone out to orphan children begging for bread. It is the dream of all Americans to see the peoples of all the world properly clothed, housed, and fed. However, to accomplish this objective is a tremendous order, an order that we cannot fill this year, next year, nor for many years to come, regardless of how hard we try. But, as a representative of the people, if our appropriations for foreign aid will necessitate the overtaxation of the American people, if the reckless spending abroad will wreck the economy of America, then I must raise my voice to safeguard the interests of the American people.

I do not intend to discuss the extent or the results of our foreign aid. It would take hours to discuss the billions of dol-

lars that have been given away, the good that has been accomplished, the things that it failed to do. I do, however, want to mention that we have spent perhaps \$100 billion in the last 10 years to aid people all over the world. Yet it is a fact that today we find ourselves fighting a war for freedom 9,000 miles away with only a mere token force assisting us from those nations which we have helped through our Marshall plan and our mutual-security program. We find the nations to whom we have given the most aid trading with our enemy, Red China, to the extent of hundreds of millions of dollars. With all respect and kindness to Great Britain, and realizing that she does have the legal right to trade where and with whom she pleases, yet when she is trading with a country which is killing our American sons, the mothers and fathers of those sons have the right to object to the giving of this money to aid England. The letters which I have received from my constituents strongly express this feeling.

There are in my district thousands of families living on a social security or an old-age pension or other depleted incomes of \$30 or \$40 per month or even less and in many instances I know that they are actually suffering. These people have been told that the Government cannot afford to pay them more at this time because we must balance the budget.

Yet I wonder if all of us realize what we are proposing to do in this foreign-aid program. In the past we have already appropriated more money than has been expended in many countries. As an example, the appropriation for Egypt is unexpended to the extent of 90 percent; in Iran, 51 percent; in India, 71 percent; in Pakistan, 77 percent. The Mutual Security Administration apparently is unable to give accurate figures on the unexpended balance of our past appropriations for foreign aid, but it is estimated that the unexpended moneys for foreign aid are perhaps \$10 billion.

In spite of the billions which have already been appropriated and which we have not been able to spend in foreign aid either for the military or economically, we propose to give more billions of money. The fact is, Mr. Speaker, that even if there was not \$1 of foreign aid appropriated by this Congress, the approximate \$10 billion already appropriated and unexpended would keep the foreign-aid program going for more than 2 years even if the expenditures for foreign aid were made as rapidly as during the last year. We have already appropriated the amount of money which we can reasonably expect to receive in taxes this year. It means that any money which we appropriate for foreign aid this year must either be raised by additional taxes or must be borrowed money and if borrowed will add to our already astronomical public debt which is so near the legal debt limit of \$275 billion. The national debt of the United States is \$50 billion more than the national debt of all other countries of the world combined. Allow me to make myself clear—the money that Congress allocates for foreign aid is money which we do not have.

The budget will be out of balance this year in the approximate amount which is proposed for foreign aid. Our American taxpayers are taxed to the utmost and we promised them relief, yet we would give aid to countries who have lowered their own taxes; we would urge more money upon countries who have in the past been able to use no more than a small part of the money given to them. I am not disputing that this foreign aid may be important but is it important enough for Congress to raise taxes sufficiently to pay for it? The real question is: Can we as representatives of the peoples of the United States afford to give away money that we do not have, give away money that keeps our budget from balancing, give away money that places a greater debt burden upon our economy? As for myself, I cannot vote to give to mutual security all of these billions which we do not have.

There are items in the foreign-aid bill which are undoubtedly worth while. But considering the bill as a whole, unless the amount is drastically reduced, I cannot vote to give away these billions which we do not have.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. GAVIN. My very good and able friend, the gentleman from Georgia [Mr. WHEELER], requested that the next speaker following him would answer his questions. I am sorry to tell the gentleman I have been sort of working and thinking along with his program for many years, and therefore I cannot answer those questions.

I have been here in the Congress now 11 years. I think I voted once on the first UNRRA program. But, to keep the record straight, I just want to say to the gentleman from Georgia that I have voted against every foreign-aid bill since that time. Therefore, I am unable to meet his request.

I want to call your attention to the fact that the debt limit has reached \$273 billion. Now a million dollars is a thousand thousand dollars. A billion dollars is a thousand million dollars, and we owe 273 thousand million dollars that somebody, by the sweat of their brow, must produce the money to pay the taxes to pay that debt. It is presumed the request will come in shortly to increase the statutory debt limit. I do not know what is the matter with this House on these foreign spending programs. The Members get up here and glibly talk about ten million, twenty million, thirty million, fifty million, and on and on as though it was a mere nothing. Now we are talking about carrying on these programs up to 1956 or 1957. You know it is the American taxpayer that has to carry this load, and they are not here to be heard. You go back home and you will find out how many are for a continuation of this foreign aid spending. I have been in Europe a number of times, and they are doing pretty well by themselves. They are well fed, well shod, and they are well clothed, but year after year we are asked to ap-

propriate billions and billions more for aid. When in the name of commonsense will this spending stop? The long-suffering American taxpayer is entitled to relief.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I decline to yield to the gentleman. The gentleman from New York admonishes us because we do not follow the leadership. Well, he has been following his leadership and a certain pattern all the years he has been here. Certainly we do not want to fall into the same rut the gentleman has fallen into.

Mr. ROONEY. Now that the learned gentleman has mentioned my name, will the gentleman yield?

Mr. GAVIN. I decline to yield. Then we have a number on our side who admonish us because we do not follow blindly what is passed on to us here. Certainly we are sent here by the American people to represent their thinking and I am certain they want this spending stopped. The folks back home are just a bit tired of this foreign aid spending year after year. You will find that out when you go back home to your respective districts. What we need is a dash of that good old fashioned American guts, the spirit of our pioneers which built this great nation of ours. If we had a bit more of that spirit and a little less of that British accent that you hear everywhere you go in Europe, this country would be a whole lot better off.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Ohio.

Mr. BENDER. I want to thank the gentleman publicly for keeping me from having my pockets picked by a couple of Arabs in north Africa.

Mr. GAVIN. It is questionable how much they would have gotten anyway, but I was glad to be of what little help I could to the gentleman from Ohio.

Mr. ROONEY. Now that the revered gentleman has yielded to the gentleman from Ohio, will he yield to me?

Mr. GAVIN. I do not yield.

I sincerely hope the amendment of the gentleman from New York [Mr. JAVITS] will be voted down.

Mr. ROONEY. Mr. Chairman, the gentleman having mentioned my name, will he not yield to me?

Mr. GAVIN. I am sorry; I would like to yield to my friend, but I have no time.

Mr. ROONEY. I am sure the gentleman has some more time.

Mr. GAVIN. All right, go ahead; I would be glad to yield.

Mr. ROONEY. I merely wanted the gentleman to tell the House about the 175 Soviet divisions that the Kremlin can move in a matter of hours into Western Europe.

Mr. GAVIN. The gentleman has been giving that story out for years, but we still have not had any movement. Every time a breeze wafts from the Kremlin there is a fear and trembling in Washington. What have we got to fear? What have we got fear? Why, just think of the Poles when invaded by the Nazis in the early part of World War II.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. GAVIN. Mr. Chairman, will the gentleman from Michigan [Mr. FORD] yield me a minute of his time?

Mr. FORD. Mr. Chairman, I would be glad to yield the gentleman a minute of my time.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 1 additional minute.

Mr. GAVIN. I just want to remind my friend of a few little things. When the Germans invaded Poland, the Poles stood up against the greatest military might ever assembled. They had guts. What about the Turks? The Turks are right up against the Russian border, but they did not back away from them, and the Russians are now glad to settle with them. They did not give an inch.

How about Syngman Rhee with his back up against the wall? He is ready to stand up against the Chinese Communists with all odds against him. How about the Germans in East Germany? Just the other day they stood up to Russia and their military strength and they only had sticks and stones to fight with.

Let us discontinue this fear talk; every time any appropriations bills come on the floor of the House, we hear about this communistic threat and menace.

What we need in America is the spirit of our American forbears, the guts to stand up and say: "Listen. We have taken enough; if you move you are in for trouble." And if the Russians do move, they have to go through Estonia, Lithuania, Latvia, Poland, Hungary, Rumania, Czechoslovakia, and East Germany, and you will find the spirit of liberty burning in the hearts of the people in those countries the same as the Russians found in East Germany.

Let us cut out this talk about these communistic threats. We have heard enough about it. We have heard it on all of these foreign-aid bills right straight through for years. Now you are coming along with other threats about leadership, as the communistic threat is getting a little worn. I get tired of listening to threats. Let us be Americans and stand up for America, for unless we keep this country strong we can be of no help to ourselves or the other countries of the world.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] is recognized.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Michigan yield to me for a brief instant?

Mr. FORD. I yield to the gentleman briefly.

Mr. ROONEY. I merely want to state the question I was endeavoring to ask my distinguished friend from Pennsylvania: What happened to the Poles? To the South Koreans?

Mr. GAVIN. Yes; but let me tell you, my friend, this is America, this is America. It does not happen to us.

Mr. FORD. Mr. Chairman, the gentleman from New York [Mr. JAVITS] has offered an amendment to increase the subcommittee's recommendation from \$218,000,000 to \$268,200,000. The sub-

committee in its wisdom after listening to the testimony concluded that based on that which had been submitted to it and based on the authorization bill which the House itself approved, the figure of \$218 million was all that we could recommend. If you will check the record you will find that the authorization bill approved by the House carried a figure of \$218,200,000; in other words, this subcommittee in bringing this bill to the floor of the House has come within \$200,000 of the legislation this House passed within the last month.

We feel that it would be in derogation of our responsibilities to recommend to you any amount over and above what this House approved in the authorization. Furthermore, we felt that on the testimony presented we could only in good conscience recommend \$218 million for this program.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I agree with the gentleman from Michigan [Mr. FORD] that this is a fair amount and it should not be increased. As a matter of fact we authorized that economic aid in our defense support for Britain. Why should we be building factories for Britain when they have just spent \$5 million for a ship for the Queen with a crew of 222 equipped with swimming pool and everything?

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield briefly.

Mr. JAVITS. I do not think it is fair, considering the seriousness of the situation to discuss it in terms of a yacht for Britain's new Queen. The committee not only cut \$50 million but it cut an additional \$24 million which was to go to the dependent overseas territories of the Western European powers. I emphasize that this aid is for military purposes.

I repeat and reaffirm that this subcommittee, after listening to the testimony and considering all of the information submitted by the witnesses, felt as the legislative committee felt that this figure of \$218 million is the most that should be appropriated for this part of the program.

I therefore recommend disapproval of the amendment offered by the gentleman from New York [Mr. JAVITS], and urge the Committee to go along with the subcommittee's recommendation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 36, noes 151.

So the amendment was rejected.

The Clerk read as follows:

Economic and technical assistance, Near East and Africa: For assistance authorized by section 543 for the purpose of section 203, \$24 million;

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Page 4, line 12, strike out "\$24 million" and insert: "\$36 million."

Mr. JUDD. Mr. Chairman, my amendment seeks to reduce the very drastic cut in technical assistance for the Near East and Africa. Most of the other cuts in the bill run 9 percent, 12 percent, 15 percent. The highest cut on a major item is 16 percent, outside of this one and the next item to which I intend to offer a similar amendment. I am willing to take a 15-percent cut on some of these items in connection with technical assistance, because they were cut less by our committee than were the military items in the authorization bill. But the figure of \$24 million provided in the bill represents a 45-percent cut for the point 4 program in the Near East and Africa. It practically cuts in two an exceedingly important program which is just getting started. That is too deep a slash.

The gentleman from New York said earlier that one reason these items of technical assistance had been cut so drastically was because they had planned to have a thousand more field workers than they have as yet been able to recruit. But should not the Technical Cooperation Administration be commended for that rather than punished? When you try to get qualified technical people who will be willing to take off their white gloves and go out into the fields and go into the factories to help train people at grassroots levels, you do not pick them up on every corner. They are very difficult to find, and I think the Technical Assistance Administration ought to be commended for not just hiring every Tom, Dick, and Harry in order to fill all the jobs authorized. As a result, they have at present only something more than half of their field positions filled. But, because they did not recklessly hire inadequately qualified people and were careful in the use of their funds, they are now being penalized by a 45-percent cut for the next year. I think that is too deep and is unreasonable.

What I propose is to restore not the full amount, which was \$43.8 million, but to put back \$12 million, making a total of \$36 million, which still leaves a cut of more than 15 percent, just about the same as is being made in other parts of the bill. I think they can stand that kind of a cut, because TCA is the kind of program that has to develop slowly. The temptation of those in charge is to get their program and projects way out ahead of qualified personnel. That has to be resisted; but, as to a 45-percent cut, well, we either ought to eliminate the program altogether or else give it enough to continue orderly growth as planned.

I am going to offer a similar amendment on the next item to restore about two-thirds of the cut for technical assistance for Asia and the Pacific.

Mr. Chairman, I am not supporting these and the other amendments to restore funds cut below the authorization or the revised budget estimates just because the President has asked for it; I think the President and his views and leadership must be given the greatest consideration, especially in this field of foreign relations, for he is in a position to know lots more about it than any of us know. Besides, he has primary re-

sponsibility in this field. But, we have our responsibilities, too. I felt it my duty to differ with the President on the Government Reorganization Act when it was before us. I spoke against his position because of my views on the constitutional issue. I differed with him on his requests for appropriations for the Air Force. I am supporting the President's position on this bill because I think it is right and in the best interests of our country. And because his position is the same as my own committee took after our study of the matter.

I respect the members of the Committee on Appropriations for standing by their figures, but I am a member of the Committee on Foreign Affairs, and I am standing by our figures. We would not have brought them to you in the authorization legislation and in the conference report if we had not thought they were right. I voted for them before. I shall vote for them now, except a few items where the Appropriations Committee had later information than was available to us in May and June.

Mr. Chairman, it seems to me an unjustified risk to reduce this point 4 item by as much as 45 percent, especially in the parts of the world which are in greatest trouble. This item has to do with the Near East and Africa. The next has to do with the Far East and southeast Asia, Cambodia, Laos, and Vietnam. These are the areas in the world where, to put it mildly, we are not making much headway; to be more forthright, we are losing ground steadily, and we need desperately this program which works with people at the grassroots. I would rather have seen a cut in the \$400 million of special military support for forces in Indochina, which the committee did not cut at all, than to have such deep cuts in technical assistance as to almost wreck their opportunity to carry out an increasingly effective program for that whole area.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Michigan.

Mr. FORD. Is it not possible under the legislation which your committee has guided through the House in the past to make substantial transfers from that \$400 million program if the executive branch of the Government wishes to do so?

Mr. JUDD. No; that fund is not subject to the transferability clause. But if you think that they do not need the \$400 million for military purposes, then I believe you ought to cut that amount and not say, "We will give you \$400 million" with the idea of allowing them to transfer some of it to technical assistance. I would rather have this reduction in the \$400 million for military aid, because I think the situation in Indochina is better today than at any time in years as a result of the announced decision of the French Government which looks as if it is at last going to grant the people there real independence. That is more than a gesture of good will. It will do more to produce a strong will to resist than all the military and economic aid put together.

Without it, the aid could not long succeed. What we must do now is give them and other peoples the capacity to resist and to develop their countries. I hope this amendment which merely restores a portion of the cut in the program of technical assistance in one of the most dangerous areas of the world—the Near East—will be accepted.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I noticed the gentleman's vote yesterday. You voted against this \$12 million increase in appropriation for airports in the legislation yesterday; is that not right?

Mr. JUDD. Yes. It was merely a postponement. It did not cut out aid to airports. It postponed appropriations until after a survey.

Mr. GAVIN. I cannot understand why you would vote against something that is of benefit to the people of this country of ours and yet you are willing to go ahead and put up \$12 million somewhere else. I cannot get your thinking.

Mr. JUDD. That vote yesterday did not injure the airport program. If it had, I would not have voted for it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BURDICK. I object, Mr. Chairman.

Mr. TABER. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, this is the first of the technical assistance items. Amendments will be offered to all three technical assistance items.

Two major points are made in the committee's report upon this subject. One is the fact that the money is not needed as shown by the fact that there are not enough technicians who have been hired. Second is the fact that there are a good many accumulated funds. I would like to answer both of those contentions.

As to the fact that there are not enough technicians, the testimony before the appropriations subcommittee—page 2181—is that something like 6 or 7 months are needed in order to hire a technician and clear him through the various agencies. The testimony before the Subcommittee on Appropriations shows that there are hundreds of employees in the pipeline. Obviously, if there is no money to pay their salaries at the time that they are in a position to be hired, it is not going to do us much good. It takes time to get them in. They are actually in the process of being hired. We need to have the money available for them when they are available to

us. And they will be available in the fiscal year 1954. So much for the standard of how many employees there are in the technical assistance program.

Secondly, as to accumulated money, it takes time to work out agreements with some of these countries. In the case of the Near East, which we are considering right now, it is only 3 months ago, the negotiations having started long before, that we were able to work out an agreement with Egypt. I think everybody will agree that to have such American ambassadors of good will as technical workers in the Near East is one of the most desirable things we can do. Remember, we cannot send in agitators, as the Soviet Union does. The only way we can get our people into these countries to represent our American point of view is when they are invited under just such programs as this technical-assistance program. And unless we supply what is, relatively speaking, a small amount of money for that purpose, we are not going to get the tremendous benefit for our country that is possible here.

As Dr. JUDD has said, this represents one of the most critical areas in the world. It has been called the tinderbox of the world right now. If you will look at the list of countries which have technical-assistance programs—again this is contained in the report of the Foreign Affairs Committee on the previous bill—you will find that it goes to 11 Near East countries. All of them get small amounts of money. The leverage in this program is simply tremendous. I think we would be very unwise if we did not make full use of it.

In addition, the host country, where the program is carried on, generally contributes at least as much in money as we contribute. Also, we have cut down our ratio of materials furnished to technicians' services to 1.5 to 1. I think the technical-assistance program is one of the cheapest things we can carry on in the interest of American foreign policy.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FULTON] is recognized.

Mr. FULTON. Mr. Chairman, my position on this bill is to save where we can. My position is also to put into the bill the funds that should be there for worthwhile programs.

For example, on this particular program of technical assistance to the Near East and Africa, we get much for our program dollars. This is the program that gives these underdeveloped countries technical assistance, so they can help themselves in the future. It tells them how they can develop new national resources right where they are. It helps them by giving professional assistance on their governmental programs. It helps these people learn the methods of democracy in government. Especially in a strategic area, such as the Near East and Africa, where we cannot afford to run any risks, I would recommend that the amendment of Dr. JUDD be adopted.

This amendment is simply an increase of \$12 million, increasing the amount from \$24 million to \$36 million to trans- pose American know-how and develop

modern methods in agriculture, village industries, health, sanitation, and so forth.

We have made real progress in helping the more progressive of these peoples in raising the living standards, especially in Israel.

As many of you gentlemen know, I appeared before the Committee on Appropriations recommending \$530 million more cuts than the House had adopted when the authorization bill passed the House. I had said about the Middle East and Africa and some of these urgent areas that are strategically important to us that we ought to accept just about what the President recommends. We do not have the facts at hand to determine how close to the danger line we are, in such inherently explosive situations as the tense Middle East. In order to get best value for our assistance money, and in order to have a good successful technical assistance program in the Near East and Africa, I would recommend that the amendment be adopted increasing the funds from \$24 million to \$36 million which is a small amount for the number of countries that are covered. I believe also that on Asia and in the Pacific area an increase in the appropriation up to \$52 million from the present figure of \$33 million is fully justified. If we do add just these small amounts, it will have a great effect in these vitally important strategic areas so I, therefore, heartily recommend the passage of this particular amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I really feel that we ought to analyze this program. A program ought to be judged on the basis of what the need is, and what can be effectively used in the way of money to accomplish the objectives of that program. To provide more money for window dressing than they can possibly and intelligently use results in extravagance and the hiring of people who are not able to contribute anything to the success of any program. We had a couple of different folks before the committee talk about this. One of them told us on that whole setup they had 613 people on the payroll out of the financial provision for 949 people. That was a week ago last Saturday. On a Monday another man came in and he said they had 591. They do not even know where they are at. On top of that, they had authority for 949, and they do not have two-thirds of them, and yet they want authority for next year for 1,030 people. Let me just illustrate to you how the thing has gone. In 1952 and 1953 they appropriated for this purpose \$12,872,000 for Egypt. They have remaining, unexpended, \$11,950,000. For Iran, they appropriated in 1953 \$23,124,000. They have unexpended from that year, and the year before, \$23,637,000, or more than the whole year's appropriation.

I do not see how this Congress can take the position that they will appropriate funds to put people on the payroll that cannot be intelligently and effectively used; and on top of that those people said the folks in Lebanon and Syria had

said they would not come in and would not have anything to do with it. It seems to me that we ought to appropriate money on an honest basis and on the basis of what can be effectively used. That is the basis we have tried to establish in allowing \$24 million for this particular setup. Why we should add \$12 million to that is beyond me.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DAVIS of Wisconsin. In confirming what the chairman of our subcommittee has said, I think it is one of those cases where you cannot measure the success of a program in terms of the numbers of millions of dollars that you might see fit to appropriate for it. If you grant that this is one of the sensitive areas of the world, and I think we will all grant that, it still remains that the background material on which we were asked to make appropriations in this area was probably weaker than in any other area of the earth on which you were asked to appropriate funds. There was a shade between what they call technical assistance and the millions of dollars of this bill for special economic assistance. To attempt to divide it and say that \$24 million will not do the job but \$36 million will is not giving it the consideration it deserves.

Mr. TABER. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. Judd].

The question was taken; and on a division (demanded by Mr. Judd) there were—ayes 48, noes 118.

So the amendment was rejected.

The Clerk read as follows:

Economic and technical assistance, defense support, Asia and the Pacific, other than Formosa and the Associated States of Cambodia, Laos, and Viet-Nam: For assistance authorized by section 543 for the purpose of section 302 (a), \$33 million.

Mr. JUDD. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. Judd: On page 4, line 17, strike out "\$33,000,000" and insert "\$52,000,000."

Mr. JUDD. Mr. Chairman, I will take only a few minutes.

This amendment increases by \$19 million the amount for technical assistance in the Far East so that the cut from the budget estimate will be about 15 percent instead of 47 percent. The figure \$33 million is a 47-percent cut from the estimate of \$62 million. And the administrators of the TCA program from the time they presented their requests to us in May, when their request was for \$72 million and that amount was authorized, have been able to reduce their estimate to \$62 million, because of larger unexpended balances and the difficulty of getting suitable personnel, which have been referred to. But to cut from \$62 million down to \$33 million is a 47-percent cut, and if you consider the original estimate of \$72 million, it is a 54-percent cut.

Everybody here has already made up his mind, probably. But I want to stress

again that this program deals with people in the parts of the world where our free, democratic, capitalistic system is being examined and weighed more than anywhere else. The Communists do not hesitate to throw their faith and their philosophy into the so-called backward areas—and they are winning people by the million. Some on our side of the world struggle think it is hopeless to try to get these people to understand our system and a waste of money to try to spread it there. I disagree totally. They will understand it, and welcome it and give their allegiance to it, if we demonstrate it. If that is not true, if our political faith and our economic system, our culture and our philosophy of life cannot be presented convincingly to them and will not win their allegiance, then we are doomed indeed—the Communists are certain to win in the end. But I am dead certain that if we had deeper faith in our system and would send out more of the right kind of persons to present it in those areas, if we would share with them not so much the material results of our superior production, but the secret or cause of our superior production, if we would make this program truly effective so that people see for themselves what it is that we believe in, they will flock to it overwhelmingly. They go now to communism only because they are offered nothing better.

Mr. Chairman, this is one place where we do not need to be weak.

Actually, if we believed in our own ideas, made them work better here at home, and spread them more effectively abroad, they would make the Communists' pretenses look like tin soldiers out of a dime store.

This is the field in which we can be invincible. This is where there is no excuse for us to be losing. This can be the cheapest buy in the whole lot. This is the strongest weapon in our arsenal if we will just use it. And use it in these areas of Asia where live almost half the human beings of the entire world. That is why I am not willing to make so drastic a cut.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. JAVITS. The gentleman has had enormous experience in the Far East. Are there any better emissaries than these technicians? Are there any better emissaries we could send to show these people what our way of life is like?

Mr. JUDD. Of course, there are none, if they know their stuff and have the right attitude. It cannot be done in any condescending way; it cannot be done by anybody who goes over there and tries to hand down to people a polished-up apple at the end of a 10-foot pole. It can be done only by persons who are willing to live and work with those people at their own levels, share their problems, begin where they are, have and show genuine interest in their hopes and aspirations, help them learn how to overcome their difficulties. If our emissaries are willing to do that, we will get more for our money than in any other pro-

gram or in any other part of the world, and it is a part of the world that is going to affect you and me, your children and my children, throughout the long future. We must share our best with them on a mutually self-respecting basis; we must show them what we believe; we must help them learn how to feed themselves and their families; we must give them a chance to see what our way of life is like in action. This is the testing ground.

Mr. LYLE. Mr. Chairman, I rise in support of the amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield for a consent request?

Mr. LYLE. I yield.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes following the time of the gentleman from Texas.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LYLE. Mr. Chairman, I read or heard a day or so ago that the Republican leadership had announced that they did not think it wise at this time to raise the legal debt limit of the United States Government. We are getting close to the limit now. It was not said whether it was politically or economically unwise, and I think that makes no difference at this time.

The question I would like to ask the chairman of this committee is based on the statement in the committee report that the public debt now exceeds \$272 billion. This bill carries a recommended appropriation of over \$4.4 billion; would that not indirectly be raising the debt limit? Or, let me put it this way: Would not that be kiting a check upon funds which we cannot lawfully spend at this time?

Mr. TABER. It would undoubtedly be raising the debt limit, but unless the general spending picture all over the country is cut down to such an extent that we will not have a deficit—I am still in hopes that 1954 will show a balanced budget.

Mr. LYLE. I thank the gentleman. I call this to the attention of the committee. If it is necessary to vote upon these funds which would legally exceed the debt limit, then should we not consider raising the debt limit before we further consider appropriations. It is not right nor is it honorable for individuals or institutions to draw checks on funds they cannot legally expend. This Government has no more right to violate that fundamental principle of honesty and decency than the individuals of this Nation and the business houses. I therefore believe that we ought, before we vote upon this or any other future appropriations, very seriously consider raising the limit of our public debt.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. GROSS. Under the language as stated in this report, if we pass this bill we have morally and legally violated the law, have we not?

Mr. LYLE. I would not say that we have violated the law, because these funds will not be legally charged against the Government until such time as they are obligated by check. We have however morally violated an obligation. And if it is unwise at this time for the leadership to consider raising the public debt I think we should consider that it is unwise for us to support these appropriations. I know some of these appropriations are necessary, Mr. Chairman, yet we ought without further ado stop and consider the legal debt limit and the obligation upon our part to legislate in an orderly, moral, and honorable way.

Mr. GROSS. I want to compliment the gentleman for making that point.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Indiana.

Mr. HALLECK. I have heard several references to the debt limit, which, as I understand it, is \$275 billion. It is said that the Government obligations and bonds amount to \$272 billion. But that does not take into account the fact that there is a cash balance in the Treasury upwards of \$9 billion. So, instead of being as close as \$3 billion to the debt limit, we are probably some \$12 billion from the debt limit.

Mr. LYLE. Then the report is not accurate. On page 3 it is stated that the public debt now exceeds \$272 billion.

Mr. HALLECK. I think that refers to bonds and obligations outstanding and does not take into account the cash balance in the Treasury, which, of course, would have to be computed as against the outstanding obligations in determining whether or not we were over the debt limit.

Mr. LYLE. I may say to the gentleman that I sincerely hope we are not that close to the limit; but if we are, we in honor ought not to appropriate additional money which would exceed our legal limit.

Mr. HALLECK. I agree with the gentleman, and I want to express the hope that we shall not find it necessary to increase that debt limit.

Mr. LYLE. I join the gentleman in that hope.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, I realize that what I may say or what anyone else may say at this time will not have any effect on the situation here today. But that situation is very clear. I do not want to impose myself on the committee further on these amendments except to say that I intend to support the President this afternoon on each and every amendment that is offered. I shall support him even on a motion, if it comes from the minority side, in terms of a motion to recommit, if that motion supports the President's request.

There is no matter of rubberstamping here. I doubt if there is anyone here who would challenge the outstand-

ing ability of the President in this particular field or his record of real achievement. Certainly no one would question his complete honesty and integrity in the position he has taken consistently as to the rock-bottom figures he still urges as necessary if this program is to succeed.

I know that many of us here this afternoon urged and worked for his nomination and election for many reasons. I am sure that one of these reasons we emphasized was his undoubted competence and brilliant and proven ability to build and guide a sound foreign policy, including a successful mutual security program.

Consequently, whatever our records may have been as to supporting President Eisenhower in other matters, it seems to me that our decisions here this afternoon as to our support of or opposition to his present recommendations on this appropriation bill are not only of vital significance now but those decisions will remain vitally important in the months ahead. I suspect that the people who elected President Eisenhower overwhelmingly and at the same time elected many of us are going to take a very, very dim view of any votes which seem to them to be deliberate opposition to his recommendations in this field. I shall be surprised if they do not demand a rather close accounting for that opposition. And I doubt if they are going to be satisfied with the statement "But I just went along with the committee." While I respect and congratulate the majority of the committee for successfully resisting further heavy cuts and can understand the possible necessity of internal committee arguments and understandings to stand together to protect the bill in its reported form. I submit that can neither bind nor protect the rest of us in the discharge of our individual responsibilities. The choice is clear. For my part, I propose to support the eminently sound recommendations President Eisenhower has made and stood by all these weeks up to this very minute.

Some of you were not here earlier when I made a statement. I ask you to read the President's message, which is at page 14 of the hearings, a very short, concise, and convincing message, in which he said:

The mutual security program for 1954 has been developed by the new administration after the most careful study and deliberation—

And I emphasize those last words.

All elements of the program have been reviewed in great detail, all proposals subjected to thorough scrutiny.

I ask you to consider that sentence very seriously.

From this study I have come to certain clear conclusions—

That is direct and positive. Do you have any doubt that he meant what he said?

The fourth paragraph bears directly on this amendment.

Fourth, it is necessary to do more in the Far East. We are proposing to make substantial additional resources available to as-

sist the French and the Associated States in their military efforts to defeat the Communist Viet Minh aggression.

If you will look at the afternoon press, you will see that within hours the President has severely criticized the action being taken here. Let us be not under any illusion that by voting to reject these amendments we are trying to uphold the hand of the President of the United States. The clear-cut, cold, hard record is that in doing so you are not voting to uphold his hands. Rather you are opposing him at almost every turn as to each section of the bill. And there will be no escaping that truth. Certainly it is all right for those who do oppose his program to oppose these amendments. But where does it leave those who say they are supporting him and want that to be believed?

The unfortunate fact, which I think we all recognize, is that undoubtedly the other body will restore a large part of these funds we are rejecting this afternoon, and we will be placed in the ridiculous position of having then to vote to approve those funds and trying to explain the inconsistency of our position.

Because I am so strongly convinced that the President is completely sound in his recommendations and because I am so certain that future developments will bear that out; because I believe his typically direct statement in May contains both all the affirmative arguments for his recommendations and complete answers to all the arguments made here today against these amendments, I want to quote it in full. It reads:

The Mutual Security Program for 1954 has been developed by the new administration after the most careful study and deliberation. All elements of the program have been reviewed in great detail, all proposals subjected to thorough scrutiny.

From this study I have come to certain clear conclusions.

First, the United States and our partners throughout the world must stand ready, for many years if necessary, to build and maintain adequate defenses.

Second, to accomplish this objective we must avoid so rapid a military buildup that we seriously dislocate our economies. Military strength is most effective; indeed it can be maintained only if it rests on a solid economic base.

Third, we must help the free nations to help themselves in eradicating conditions which corrode and destroy the will for freedom and democracy from within.

Fourth, it is necessary to do more in the Far East. We are proposing to make substantial additional resources available to assist the French and the Associated States in their military efforts to defeat the Communist Viet Minh aggression.

Fifth, since it is impossible to forecast precisely the year and moment when the point of maximum military danger may occur, the only prudent course calls for a steady military buildup, with our partners throughout the world, sustained and planned so as to use our joint capabilities with maximum efficiency and minimum strain.

Those who wish to oppose that statement are entitled to do so. I repeat, for my part I agree with the President. I shall not, by my votes, tie his hands. And I take this means, since no record votes on these separate amendments appear to be a possibility, to make my position clear beyond any possible doubt.

(Mr. PATTERSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATTERSON. Mr. Chairman, I arise today to definitely clarify my position by whole heartedly supporting the recommendations sent to the House of Representatives by our great President. In my humble estimation there is no better qualified American living today who knows the requirements necessary for a safe and secure future than President Eisenhower. He is not only qualified as the outstanding military leader of our time but also our ablest diplomat proven by his record as a leader among the peoples not only of America, but the world.

The House should adhere to the requests made by our President and support him in the same manner and wisdom as the American people did in the last election.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I cannot help but take advantage of this opportunity to make some comments as I have watched the votes on these amendments and on this legislation.

I am reminded of the campaign that was put up in my district and put up in many parts of the Midwest, where I come from, that those who represent the Democratic philosophy of government ought to be defeated. My Republican opponent repeatedly and repeatedly said there was no question but what President Eisenhower was going to be elected President of the United States. If that was true, then WIER should be defeated and a Republican sent to the Congress to uphold the program and the objectives of President Eisenhower, who was then the candidate. But, as I view it here today, I think most of the people of this country felt that President Eisenhower, at least, had the answers to a lot of our international problems. That is one field in which they did believe he was well acquainted and well versed in and what the needs were. It was admitted that on the domestic front, in our own local problems, he was not perhaps as well versed nor familiar. But here I sit and see a mere handful of the Republican Members supporting their President in his urgent appeal for this legislation. Take a look at all these new Members who, I am sure, rode into this Congress and into this House on the coattails and on the program and on the popularity of the then candidate, Mr. Eisenhower.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. There are a few of us who did not roll in on his coattails. The American people wanted a change. We rolled in because we wanted to change the thinking of the previous administration. We wanted to reduce taxes, balance the budget, and effect economies, and conduct this Government on a businesslike basis, stop up spending and afford relief to American taxpayers. That is the promise we made to the people back home, and as far as I am concerned, we will do it.

Mr. WIER. Let me answer the gentleman in this tone: You are one of the men heard repeatedly in the last few years get up and condemn this program, the objectives of this program, because President Truman was in command of it.

Mr. GAVIN. Oh, no.

Mr. WIER. You wanted a change.

Mr. GAVIN. I never mentioned the President's name. I voted regularly against this foreign aid program then and now.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentleman from New York [Mr. COUDERT].

(Mr. COUDERT asked and was given permission to revise and extend his remarks.)

Mr. COUDERT. Mr. Chairman, we have had a long string of amendments seeking to increase the amount carried in this bill. Then a moment ago the gentleman from Texas, [Mr. LYLE] referred to a very sensitive subject, the subject of the debt limit and the almost certainty that we will have to raise the debt limit. Well, I am taking this occasion to state that I am going to offer an amendment that will help the debt limit situation, not hinder it. At the appropriate place, on page 6, I am going to offer an amendment to limit the over-all expenditures for the next fiscal year out of this enormous sum of \$14.3 billion which will be available when this bill becomes law, and the amount of the ceiling in the amendment I am going to offer will be \$5.5 billion which is the amount spent in fiscal 1953, the last full fiscal year. If we are going to stave off increasing the debt limit and shoving inflation any further we are going to have to make substantial reductions or postponements in the spending on this bill, which is one of the engines of inflation, one of the principal ones, and on the military spending, because just so long as we go on steadily increasing expenditures we are bound to go down the road to inflation.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I will be delighted to yield.

Mr. GAVIN. Unless this Congress raises the statutory debt limit, can the gentleman tell us just what we are going to do in the event we have another eight- or nine-billion-dollar deficit, unless we start to curb right now and cut down spending?

Mr. COUDERT. The answer I think is very obvious. If Congress has the courage to refuse to raise the debt limit, the administration will not be able to spend and economy and reductions will be enforced.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER] to close debate on this amendment.

Mr. TABER. Mr. Chairman, this amendment proposes a very substantial increase. The point is that out of 725 people, one witness told us that they had 529 on Saturday and on Monday another told us 321. You cannot tell anything about it.

They have had for India, Burma, and Pakistan enormous appropriations.

They had \$52 million plus \$43 million or approximately \$95 million for India for 1952 and 1953. They have \$69 million unexpended at this time.

As to the other countries, it is about the same. They have enormous amounts. For Pakistan there is \$17 million unexpended out of \$22 million available. And of the \$30 million requested for 1954, \$24,697,000 was for supplies and equipment for India and Pakistan.

They have a great steel mill in India and they produce a lot of steel. Nevertheless, they have \$8,500,000 in here for steel to be used in constructing a laboratory, and such things as that. Also they have here a lot of money for river development, something like \$5,400,000.

Frankly, I appreciate the situation in the world. We have gone along and provided \$75 million for India and Pakistan for economic development. Here you have economic development twice, \$24,600,000 in one place and another large amount in another place.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 61, noes 131.

So the amendment was rejected.

The Clerk read as follows:

Technical assistance, American Republics and non-self-governing territories of the Western Hemisphere: For assistance authorized by section 543 for the purpose of section 402, \$15 million;

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 4, line 21, strike out "\$15,000,000" and insert "\$20,000,000."

Mr. VORYS. Mr. Chairman, I would be the last to claim that this is an easy bill, and the first to congratulate this committee on the difficult job they have done. Our committee spent a great deal of time on it but we were not required to study the details in the way the Appropriations Committee does, and I commend them on the work they have done. However, I pray their indulgence on the amendment I suggest which raises the amount for the American Republics from \$15 million up to \$20 million. It is still \$4,242,000 below the budget request of \$24,242,000. That reduction will take care of some of the questions about technicians that the gentleman from New York and others of the committee have raised. But, it is an increase over this 38 percent cut proposed by the committee. Wherever we stand on foreign affairs or foreign policy, everyone here believes in solidarity for the Western Hemisphere, and everyone here knows of the increasing Communist infiltration in that hemisphere, and everyone knows that President Eisenhower, in order to show our Latin American neighbors of our interest in their affairs has sent his own brother, Milton Eisenhower, down there to make a good will trip at the present time. It seems to me it would be a great pity to have him greeted, as he visits these various capitals with news that the President's request has been cut 38 percent. The amount I suggest is

substantially the same as the \$20,500,000 appropriated for those countries last year, so that we can at least be saying to our Latin American neighbors, "We think as much of you as we did last year." This Latin American technical assistance program has been going on for a number of years, and they have been able to match funds and go ahead with a joint program better than in any other area of the world. The program for the ensuing year contemplates there will be a Latin American contribution of \$44 million. Of course, if we only furnish \$20 million, as my amendment proposes, that may lower their contribution. In any case, it seems to me that this amount, which is certainly not a great one, an increase of \$5 million in appropriations, is rich in its significance, if we put it in and ominous in significance if we leave it out. It should be included so that we can help not only our President but our President's brother in implementing the good neighbor policy which is a bipartisan policy of long standing, and which needs implementation at the present time while communism and its strength increases among our neighbors to the south.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JAVITS. It is always refreshing to have a few facts. There is no place better than Latin America where the leverage of this technical assistance program is shown. We have 14,000 Latin Americans working with 650 American technicians. This is simply enormous leverage. In addition, the Latin Americans have been constantly increasing the amount of their contribution until today, as my colleague has said, it is 2 to 1. Two dollars of Latin American money to every \$1 of United States money. This has been the most successful program of all the technical-assistance programs that we have carried on.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the distinguished chairman of the committee.

Mr. TABER. I have talked to the gentleman from Virginia [Mr. GARY] and he and I are both agreeable to this amendment. Frankly, there is a great big balance carried over, but unexpended. However, if there is any psychological effect in giving them a little more money, I am prepared to agree to it.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in support of the amendment.

While I am opposed to the bill because of the sum contained herein, I do feel that if we are going to err on the side of generosity, this is the best place to do so. I think this amendment should prevail.

Mr. GARY. Mr. Chairman, I concur in the remarks of the chairman of the committee. The restoration of the funds is entirely agreeable to the minority members of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. HERLONG) there were—ayes 120, noes 51.

So the amendment was agreed to.

Mr. JENSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. I understand there is from 175 to 200 million dollars in this bill for flood control, irrigation, reclamation, hydroelectric power, and channel stabilization in foreign countries. My question is, would an amendment which I might offer to this bill under "Technical assistance" on page 4, line 18, which reads, "Technical assistance American Republics," Iowa being one of our sovereign States and a republic, would an amendment to increase this amount by \$2,200,000 for the Missouri River stabilization and flood control between Omaha and Sioux City be germane to the bill?

The CHAIRMAN. The Chair doubts whether that would be germane to the bill.

Mr. JENSEN. The Chair is in doubt?

The CHAIRMAN. And the Chair so holds.

Mr. JENSEN. Has the Chairman consulted with the Parliamentarian? I would like to know.

The CHAIRMAN. There is no amendment pending, so the Chair cannot rule on it.

Mr. JENSEN. But the Chair does think that it would not be germane to the bill.

The CHAIRMAN. The Chair has so stated.

Mr. JENSEN. Then I shall not offer the amendment.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Would not the answer to the gentleman's question be that if the gentleman offered the amendment and nobody made a point of order against it then it would be subject to debate and a vote by the Committee?

Mr. JENSEN. I have such high regard for the gentleman now presiding as Chairman that I will not offer the amendment.

The Clerk read as follows:

Basic materials development: For assistance authorized by section 514 and 548, \$23 million;

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 4, line 23, strike out "\$23,000,000" and insert "\$7,500,000."

Mr. FULTON. Mr. Chairman, if the Committee will look at page 4, line 22, they will see the provision:

Basic materials development: For assistance authorized by sections 514 and 438 \$23 million.

The House on the recommendation of the Foreign Affairs Committee completely cut out the \$23 million basic materials program. My amendment before

the House Foreign Affairs Committee was for the purpose of cutting out the original figure of \$25 million as unnecessary at this time. The Senate passed the amount at \$15 million for this program and the conferees cut it to \$7,500,000. I think under this appropriation bill the figure is too high and should be cut from \$23 million to \$7,500,000.

Now, think of this in terms of development of projects in your own district. I believe Congress should in foreign countries apply the same criteria to new developments such as power, flood control, transportation, as we do for our own districts in this country. My amendment is just for that purpose. As a matter of fact in possible programs here, are such things as the developments of the Wankie Collieries, the Sinoia-Kafue Cutoff, the Kafue hydroelectric project, also a hydroelectric project in Tunisia, and Lake Victoria port development. In southern Rhodesia there is a project for the expansion of pig-iron capacity at QueQue. In British east Africa there is a project for the improvement of Lake Nyassa transport system. There is a project for development of the port of Nemours in French north Africa, and a project for the expansion of mining development in Tunisia for lead and zinc and other minerals.

When Dr. D. A. FitzGerald, deputy to the Mutual Security Director, testified before our committee, he said that most of the basic materials projects including the illustrative list were to provide ancillary facilities such as port facilities, transportation, and so forth. Let us see what Dr. FitzGerald said about my remarks on it. I had asked Dr. FitzGerald to comment on the lead and zinc situation in view of the fact that we had lead and zinc in such long supply that it was running out of our ears. There is already the Simpson bill by which certain groups try to deal with the situation by higher import duties, which is coming up before this House.

You will find Dr. FitzGerald's reply on page 1101 of the Mutual Security Act extension hearings before the House Foreign Affairs Committee. Dr. FitzGerald said in part:

Congressman FULTON has raised a question about zinc, for example. Currently the Congressman is right. Zinc and lead both are in long supply in the United States, and prices are relatively low. I have an estimate here based upon the Paley Commission report which indicates that within the next 25 years zinc requirements will be increased by 50 percent over the current 1952 level of consumption, which was just over 2 million tons.

Mr. FULTON. Is there any strategic urgency for the expansion of the production of lead and zinc in the fiscal year 1954, or the fiscal year 1955, under present conditions?

Mr. FITZGERALD. Our best estimates, sir, is that by 1962, present known production of zinc and lead will not be adequate to meet the expected requirements by 1962—

And further Dr. FitzGerald says:

I would simultaneously have to say that if the estimates that have been made of the zinc and lead supply situation by 1962 are correct—and they may be wrong—it is de-

sirable to make some investments this year in future lead and zinc production.

Zinc and lead for 1962 possible shortages are certainly not a security program necessity for the 1954 fiscal year.

You have in here port development, railroad development, mine development, iron and coal development, bauxite and copper development, you have hydroelectric development.

The question is, Does Congress want to postpone these exploration and development activities for another year and give these projects a further study?

We have counterpart funds in this program which are generated by selling of the materials under the Mutual Security Program for local currency. I would use counterpart funds, and reduce this appropriation figure of \$23 million to \$7½ million, which is the amount approved by the conference committee, and voted by the House on the adoption of the conference report.

My amendment therefore says: Reduce the figure of \$23 million for basic material development down to \$7,500,000 as authorized by the conference committee. If Congress does that we will then apply the same test to these development matters abroad which are merely ancillary and preparatory, as we apply to projects in our own congressional districts. Apply to these foreign countries which are not up in the front lines, they are down in Africa in many cases, the same test that Congress does for our own taxpayers.

I may say that I have not asked for one project in my district from the Appropriations Committee during this entire year. Under those circumstances of strict economy, I think this foreign economic aid likewise should be cut, in order to treat my taxpayers fairly.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on the pending paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

Mr. Chairman, the amendment offered by the gentleman from Pennsylvania reduces the basic materials program from \$23 million to \$7,500,000. The \$23 million as recommended by the committee is composed of \$20 million of counterpart funds and \$3 million of cash.

In the authorization bill there was an authorization permitted up to \$32,500,000, \$25 million of that being counterpart funds and \$7,500,000 being cash. Our subcommittee, after listening to the testimony, made a reduction from \$32,500,000 to \$23 million.

In the original request there was a request for \$98 million for this program. The previous legislative action plus our subcommittee in its wisdom reduced it to \$23 million.

What was the basis of our recommendation? We found that there were certain very strategic materials absolutely essential and vital to our national de-

fense picture which we felt should be developed in these areas of the globe, using principally and primarily counterpart funds up to the amount of \$20 million, those essential materials being cobalt, chromium, manganese and uranium. The programs that we eliminated out of the original request of \$32,500,000 were those relating to the development of coal production facilities, the development of railroad transportation facilities and others not directly related to our own welfare.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Will the gentleman assure the House that there is no hydroelectric development in this particular amount of \$23 million; that there is no development of ports or facilities; that the trackless railroad that is proposed to be experimented on is eliminated; that there is no development of iron or steel producing plants; that there is no development of coal production plants? These should be financed privately, or under the International Bank.

Also assure the House that there is no zinc production facility nor lead production facility included, and I will withdraw my amendment.

Mr. FORD. Let me assure the gentleman of this: In the recommendation made by this subcommittee I cannot absolutely assure that there is no program along the line that the gentleman has suggested. I can say, however, that the funds which have been allowed are integrated and an integral part of the development of production of manganese, cobalt, chrome, or uranium. The committee report is rather specific. The committee report says:

A total of \$23 million is recommended for 1954: \$20 million for purchase of local currencies and \$3 million for dollar requirements. It is the intent of the committee that these funds be used entirely for those projects directly related to critical and strategic materials, such as uranium, cobalt, and manganese.

On the basis of that recommendation I am sure that the administration of this program would not under any circumstances undertake any of the development programs which the gentleman has objected to.

Mr. FULTON. You see, your committee report says "strategic materials, such as" and then gives certain examples. I am trying to put a limit on these projects by this debate and restrict the appropriation to the direct production of critical materials and get away from all this road building, port building, hydroelectric-power development, building of coal mines, steel mills, and iron production, as well as bauxite, lead, and zinc, that is already in the proposal for 1954.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ABBITT. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 86, noes 104.

So the amendment was rejected.

The Clerk read as follows:

Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, \$5,250,000.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 5, line 12, strike out "\$5,250,000" and insert, "\$13,750,000."

Mr. JAVITS. Mr. Chairman, if it is possible to fix the attention of my colleagues upon a very strategic item which does not involve a great deal of money—it involves about \$8 million, but it is of the greatest importance to our country in this matter—I should like to fix their attention upon this item.

My intention in proposing this amendment is to restore the President's request for American participation in the multilateral technical assistance program conducted by the United Nations. The reason it is strategic at this moment is that for the first time in United Nations history our competitors—and I emphasize that word—our competitors, the Russians, are proposing to participate in a United Nations program. And the one that they have chosen to participate in, indicating what they think about its importance, is this very program, the multilateral technical assistance program. The Russians have proposed to put up \$1 million as a token of their participation in this particular program.

Why are they so interested? They are so interested in this program because, of all the things that the United Nations does, which is of direct help to people at the grass roots all around the world, especially in the underdeveloped areas, this is it. In addition to which, it is a remarkably economical program.

The United Nations today, in this particular program, is operating in 70 countries and territories with 1200 experts. It works through the established special organizations of the United Nations such as the Food and Agriculture Organization, the World Health Organization, and so forth; and therefore is able to perform its work at a very cheap rate.

Other countries participate very substantially in this program, showing what they think about it. And even in the committee report, it shows that for the next fiscal year, other countries are contributing \$8½ million to the multilateral technical assistance program of the United Nations. In the past we have contributed annually about this amount which I request, something in the area of \$12 million.

The Congress has actually appropriated \$9 million for our participation in

the U. N. multilateral technical assistance program for the current year, that is the 1953 year. I understand there is a request pending for the difference between that \$9 million and \$13 million, which averages to about our provision for this program in previous years. The request which I am seeking to restore is to \$13,750,000 as recommended by the President, and as authorized for the 1954 fiscal year.

If we do not participate as we have before in connection with this program, with the Russians participating in it as they are, and with an enormous number of nations throughout the world benefiting from it, and participating in it now, we will be striking a very serious blow against our own participation and our own prestige in the U. N. Regardless of what you think about the U. N., all of us here, everyone of us I am confident want what the United States proposes to have a good chance to carry in the United Nations. We do not want defeats there. This part we have in the U. N. technical assistance program is a very important feature of our standing and prestige in the UN.

Why did the committee turn it down? The committee says in its report that it believes the contribution of the United States should be only one-third to United Nations funds. It feels, therefore, it is carrying out the general view of the House on this subject. But the difficulty is this. We have expressed ourselves as to the one-third principle in respect of the administrative expenses of the U. N. That has been the big battle constantly. When we come to supporting the administrative expenses of the U. N., we have said we want to cut it down to one-third of the aggregate sum. We have not done that with respect to the U. N. programs, whether they are refugee programs or technical assistance. Our one-third principle has been in respect to the administrative expenses. This is not an administrative expense. This is a substantive question of technical assistance which is extremely economical and is of the most important consequence so far as the prestige of the United States in the U. N. is concerned, and carries tremendous prestige for the United States to an enormous number of U. N. members where it is most needed. Therefore, it does not violate the fundamental principle that this House laid down in the past about the one-third participation in the U. N. administrative expenses. On the contrary, with a very modest expenditure, it subserves the very greatest interest of this country in the parliament of nations. I repeat, whether anybody likes the U. N. or not, they want United States prestige in the United Nations so long as it stands and it functions as it does today, to be of the highest. The adoption of this amendment will be an enormous contribution in that regard.

Mr. TABER. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. TABER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 32, noes 134.

So the amendment was rejected.

The Clerk read as follows:

Contributions to United Nations International Children's Emergency Fund: For an additional amount for "contributions to United Nations International Children's Emergency Fund" for the calendar year 1953, \$5,000,000;

Mrs. FRANCES P. BOLTON. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mrs. FRANCES P. BOLTON: On page 5, line 16, before the semicolon, insert the following: "and for assistance authorized by section 603 for the purpose of section 545, \$9,000,000."

Mrs. FRANCES P. BOLTON. Mr. Chairman, this amendment would put back into the Children's Fund a sufficient sum to make possible the continuance of participation by the United States in a program for the most needy children of the world. It is some \$800 million plus less than was originally requested. This cut I can accept with few, if any, regrets because in the careful work done by the Committee on Foreign Affairs and by the distinguished Committee on Appropriations the work of the organization has taken shape and has assumed its responsibilities with good sense and determination.

Because of this certainty, Mr. Chairman, I have no hesitation in asking this body to appropriate \$9 million, even though the Appropriations Committee emphasizes the fact that UNICEF goes out of existence December 31, 1953, and, therefore, there is no written program. But, Mr. Chairman, how can there be a program if there are no funds in sight?

May I remind you that it is through this program for the children that this country of ours has won such respect as may still be left it among the nations, for here we were giving our hearts as well as our funds. It seems to me a very poor time for us to retreat behind the—to me—weak reason that there is as yet no program. Come January there will be a program and that program will need the assurance of United States participation to take shape and function.

The new organization will be in the nature of an international child-welfare organization. If you study the contributions made by other countries, you will find there is a greater proportion of giving to this particular phase of U. N. work than to others. Mr. Chairman, I would remind you that children are the only riches, the only future that there is for the world. Can we refuse to be part of a world organization which is stamping out malaria, waging war upon tuberculosis—and we are told \$12 cures a child. Is it not worth while to have

been part of a world organization which cured 300,000 Indonesian children of that hideous disease which eats away the flesh, leaving its victims dead or crippled for life? And all for \$1 per child?

Are children not worth saving? Have you the courage to say, "We will not do everything possible to save the children of the world?" I cannot believe that this body, once it has the picture, would do anything of the sort.

Mr. VORYS. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I gladly yield to the gentleman from Ohio.

Mr. VORYS. Is it not a fact that the emergency phase of this program has been reduced because of insistence on the part of the Foreign Affairs Committee and the Congress, and that under the new leadership we can have confidence that this will be in fact an international child welfare program, confined to pilot operations, where they can do the children of the world some good with a comparatively small amount of money?

Mrs. FRANCES P. BOLTON. It is indeed a fact.

Mr. JAVITS. Mr. Chairman, will the gentlewoman yield?

Mr. FRANCES P. BOLTON. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact also that unless we give this money to the President—and I would like to emphasize that what the amendment does is to give the money to the President—so that he can get this program off the ground, and if that is not done there will be no program?

The authorization is not enough, and it will be terribly damaging to us with all these nations who are waiting on us, definitely waiting on us to do this; and the President is urgently recommending it.

Mrs. FRANCES P. BOLTON. They are not only waiting on us, they are ready to do their part when they are certain we will do our part.

Mr. VORYS. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield gladly.

Mr. VORYS. It is a fact, is it not, that UNICEF goes out of existence December 31, 1953, and that a new international organization will have to be set up by the U. N.? It is true, however, it will operate on a calendar-year basis, and it seems to me that we will be not only safe but wise and provident in putting this money into the hands of the President to use if he finds under the provisions of the authorization bill that it is a proper kind of welfare organization for our country to back.

Mrs. FRANCES P. BOLTON. I am very happy to have the gentleman emphasize these points, Mr. Chairman. I sincerely hope that this body will make the appropriation toward the Children's Fund and its successor in the field, of \$9 million.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I rise in support of this amendment. I offered the original amendment back in 1945 or 1946 at the end of the war whereby the United States made its first contribution of \$50 million to the United Nations International Children's Emergency Fund, and I dare say that there is no money the American Government has spent anywhere in the world, at home or abroad, that has done more good to more people and brought more good will to our country than the money for the Children's Fund.

After a few years of splendid work, it got somewhat overexpanded and into some other troubles, and I was one who opposed further aid. It was brought back down on sound ground again and became worthy of fullest support again. The fact is that it has now shifted the nature of much of its work. At the outset it was doing almost 80 percent emergency work, mass feeding, and antituberculosis injections and vitamins for tens of millions of sick and undernourished or even half-starved kids in Europe. It has shifted from 80 percent emergency type operation until now its work is only about 15 percent emergency. The other 85 percent is a long-range program of child welfare centers, health education, maternal and infant care, and so on. No country's strength or security is going to rise much higher than the health and well-being of its children, which means of its families.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. ROONEY. I should like to say that I am in thorough agreement on this with the gentleman from Minnesota. I recall that at the time we had difficulties with this fund it was when a Communist was at the head of it.

Mr. JUDD. That is true, and we had to have some housecleaning in some other personnel, too. It has been a good operation ever since.

A second shift in emphasis has been from operations in Europe to the less well-developed regions. Right after the war about 75 percent of its work was for European youngsters. Now that has properly been changed so that the great bulk of its operations are in the underdeveloped areas—41 percent in Asia, 27 percent in the Near East, 15 percent in Latin America, only 12 percent in Europe.

I think it would be a mistake for the Congress not to continue this Fund which has become a symbol of America at its best. Perhaps more people throughout the world think of America in terms of UNICEF than any other single symbol, especially in places where the American flag is hardly known except in connection with American products being distributed by UNICEF. I repeat, that what we have put into this

Children's Fund has given others and ourselves greater benefit for less money than any other program.

I trust the committee will accept this amendment which does not wholly restore the amount which we have been giving usually in annual appropriations in the past, and which the President has asked and the Foreign Affairs Committee authorized.

UNICEF as an emergency program will go out of existence at the end of December, but another organization will be formed this fall to carry on its work, if there is assurance that the American Congress will support its continuation on the long-range basis now contemplated.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. BAILEY. Will the distinguished gentleman from Minnesota express the same feeling toward a few thousand hungry coal-mining children in the State of West Virginia?

Mr. JUDD. Yes; if the gentleman has a provision in here that will take care of hungry children in West Virginia, I will be glad to vote for it.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the statement that was made to us is this:

The eighth General Assembly which is to meet in the fall of 1953 will review the status of the children's fund and determine what its course will be after December 31, 1953.

Frankly, I do not like to appropriate funds for an organization that has not been set up. It is the practice and it is the custom of Congress to have authority granted to any setup before we go ahead and appropriate funds. I cannot agree to anything else at this time.

We have many organizations at the present time looking after the children and other people who are in distress everywhere in the world and we ought to think about that a minute and wonder why we have so many, why we cannot have it all done together instead of having it spread out through so many organizations all over the world. There is the World Health Organization, the Food and Agricultural Organization, there is the United Nations Educational, Scientific and Cultural Organization.

Personally, I am liberal with my own money and do what I can to take care of those who are in distress, but I do feel a responsibility to the people of the United States to try to see to it that we proceed in some kind of an orderly way when we approach the problem of handing out the money of the people of the United States. Here is an organization that the United Nations Assembly has not yet passed upon to decide whether it shall continue. If it is to be continued I would be willing to go ahead and meet the fair share that the United States might have to pay toward it, but not until that time.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. Was it not pointed out in our hearings that the United Nations officials were meeting later in the fall of

1953 to set up the program for the next calendar year and that the money included in this amendment was for that calendar year which has not actually been set up as a program?

Mr. TABER. That is correct.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

The question was taken; and on a division (demanded by Mr. JUDD and Mr. ROONEY) there were—ayes 80, noes 100.

So the amendment was rejected.

The Clerk proceeded to read the remainder of the bill.

Mr. TABER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment or points of order at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any points of order? Are there any amendments?

Mr. COUDERT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COUDERT: On page 6, after line 1, insert a new section as follows:

"Money appropriated in this bill shall be available for expenditure in the fiscal year ending June 30, 1954, only to the extent that expenditures thereof shall not result in total aggregate net expenditures of all agencies provided for herein beyond the total of \$5,500,000,000."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. I make the point of order that the amendment imposes additional duties to determine whether or not the expenditures of all agencies provided for therein exceed \$5,500,000,000.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. COUDERT. Yes, Mr. Chairman. Let me point out that this amendment is in the very same language as the Smith amendment that was adopted a year ago on the military appropriations bill.

The CHAIRMAN. The Chair believes that it is a proper limitation and overrules the point of order.

Mr. COUDERT. Mr. Chairman, as the point of order recalled, this is the very same type of amendment that the House adopted a year ago on the military appropriation bill. The committee adopted that amendment for the reason that last year there were some \$109 billion from old and new appropriations available to the Defense Department and the House felt that there ought to be some control over the overall spending. We have the precise situation on this bill on a smaller scale.

Just remember these figures. When this bill becomes law there will be available to the Mutual Security Agency \$14,300,000,000. This bill alone only carries \$4,400,000,000, and, so far as the country is concerned—the people that read

the papers hastily at breakfast—we are appropriating and spending \$4 billion, which seems to them somewhat less, perhaps, than the \$5,500,000,000 that was spent last year. Last year—the year we closed on June 30—we spent \$5,500,000,000 total expenditures for this mutual-aid program. The present program for the current fiscal year is \$6,800,000,000. In other words, this is \$1,300,000,000 more than we have ever spent in any single year for foreign aid. The foreign-aid program has been going steadily up and up and up. If we are going to avoid the almost immediate extension of the debt limit and new taxes in the next session, we have got to begin somewhere and we have got to begin on expenditures because, with the enormous available carryover funds, it is expenditures that count, not these new appropriations that will not be spent for 2 or 3 or 4 years, possibly. That is the important thing. Here is the opportunity—the opportunity to limit expenditures. It is not going to wreck the mutual-defense program to allow \$5,500,000,000. It is not going to do any harm at all.

This amendment will not touch any individual program such as funds for Indochina. It will not rescind a single appropriation. It will not touch any vitally important program because the President can spend every dime provided in any one of the items or any number of the items as he chooses.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I am glad to yield to the gentleman.

Mr. SUTTON. I might say to my good friend from New York that they are now before our Committee on Agriculture asking for a blank check on the Commodity Credit Corporation, in the amount of \$3 billion, which would be added to this, making \$17.3 billion, and it looks as though it will come out of the Agriculture Committee, much against my protest.

I should also like to say this to the gentleman, that I had intended to offer the same amendment in a motion to recommit this bill. It is my understanding now that a Member on this side will offer a straight motion to recommit.

I hope the gentleman's amendment prevails.

Mr. COUDERT. I thank the gentleman for his support. I think it is an opportunity to make a very useful contribution on the expenditure side. It is the expenditures that mean taxes, that mean an increased debt limit. We have got to choose here and now.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to my good friend from New York.

Mr. JAVITS. Is it not a fact that this amendment represents an additional \$1.3 billion cut in the bill, and therefore about destroys every appropriation in it?

Mr. COUDERT. No, I beg to differ. It does not represent a cut in the bill or in the appropriation. It represents a postponement in presently contemplated expenditures for 1954. Every dime that

has heretofore been appropriated and is being appropriated now will continue available. It slows up the program, just as the President has slowed up this year's military spending by two or three billion dollars below the original program.

Mr. JAVITS. Is it not a fact that we do not want Western European armaments slowed up, we want them accelerated as the shield of the whole West against aggression from the east, and therefore does not the gentleman's amendment go definitely contrary to our national policy?

Mr. COUDERT. I do not agree with the gentleman at all, because one of the most important aspects of our national policy is the preservation of our national solvency, sanity, and security.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. O'KONSKI. Mr. Chairman, I object.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. O'KONSKI. I object, Mr. Chairman.

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'KONSKI. I have listened here to a lot of hogwash for 4 hours.

Mr. ROONEY. Mr. Chairman, that is not a parliamentary inquiry.

The CHAIRMAN. The gentleman is not stating a parliamentary inquiry.

Mr. O'KONSKI. Are we not to be given an opportunity to express ourselves?

The CHAIRMAN. That is within the power of the Committee.

Mr. JONES of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Missouri. Under the request of the gentleman from New York, to close all debate in 10 minutes, that would apply to everything in this section, which includes pages 6, 7, 8, and 9, would it not?

The CHAIRMAN. The request applies to the pending amendment and all amendments thereto.

Mr. JONES of Missouri. The request applies then merely to this amendment?

The CHAIRMAN. That is correct.

Mr. TABER. Mr. Chairman, I move that all debate on this amendment and any amendments thereto close in 15 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from New York.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, earlier this afternoon there was a colloquy between the gentleman from Texas [Mr. LYLE] and the gentleman from Indiana, the majority floor leader [Mr. HALLECK], on the subject of the \$272 billion Federal debt, which now exists, is rising steadily, and whether we could legally, or at least morally, and another \$14 billion to the \$272 billion without exceeding the \$275 billion debt limit. The gentleman from Indiana said we probably would not exceed the limit because there is some \$9 billion in the Treasury. I am wondering if at least part of the \$5 billion in cash, allegedly in the Treasury, might not have gotten there through the devious process of starting the printing presses and issuing money in the form of Treasury notes; in other words, \$5 billion of it under the law approved in the House a year or so ago, which I opposed, by which \$5 billion of printing press money can be outstanding at any one time in this country and be available for spending on the part of the Government. I assume that of the \$9 billion in cash that allegedly exists in the Federal Treasury, at least some of it was obtained through this printing press method and therefore can only be added to the Federal debt.

But, Mr. Chairman, I did not rise to speak on that particularly.

As in connection with almost every appropriation or authorization bill pertaining to foreign spending or the military in recent years, there has been no really clear-cut explanation of how much money is available, as of the moment and regardless of the bill before us, in unexpended and unobligated funds.

For a veritable nightmare on this subject, I refer you to MSA Director Stassen's testimony as contained on page 3 of the subcommittee hearings. In my opinion, he wins the gobblydegook championship of all time with his "obligations," "deobligations," and "reobligations." It seems that obligated sums in amounts not specified were deobligated and then reobligated.

Let me read this to you. Mr. Stassen says:

I should immediately point out to the chairman and the gentlemen of the committee—and I am sure you are undoubtedly aware of it—that we have this special situation under which the General Accounting Office made a study which was requested by this committee which has resulted in their review of certain obligations of obligations that were originally entered into at the end

of the 1952 fiscal year. So, you will see reflected throughout this table that deobligating process that has been going on these recent months, as well as the problem of reobligating those funds if we are to have the tanks and guns and equipment for these forces that were originally obligated for at the end of 1952 but which have not yet been delivered and which, as a result of this General Accounting Office study, have been deobligated. So, that is reflected in large measure in this carryover from the 1953 items. But, the significant factor right now is the \$5,222,033,559 which is the sum of our request to this committee for new obligational authority.

Peering through the haze it is evident that the taxpayers are caught in a triple play, obligate to deobligate to reobligate. I am unalterably opposed to this spending of another \$14 billion in foreign give-away schemes.

I yield back the remainder of my time, Mr. Chairman.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the fund availability on this proposition with this bill and the unexpended balances will run approximately \$14,550,000,000. The estimate of expenditures by this organization is \$6,800,000,000 for next year. Frankly, if we are going to pass this bill, I cannot be a party to throttling it to the point where they are unable to function. I do not believe that it is in the interest of the United States.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HALLECK. Mr. Chairman, I think this program is improperly called a foreign-aid program. It is not that. It has to do with the military security and defense of the United States, at least in its principal effects, and has been worked upon by the House Committee on Foreign Affairs and by a similar committee of the other body, out of which we have by conference action agreed upon a result. Subsequent to that time the Appropriations Committee has very carefully considered all of the requests that have been made. They have gone over the facts and figures. I think it is fair to say that certain facts and figures were available to the Appropriations Committee that probably were not available to the legislative committees when the authorization bill was passed. To my mind it is largely on that basis that these further cuts have been made. They have been cuts in the amount of new money made available and they have been cuts that have resulted from recapture or rescission or reductions in respect to unobligated balances.

Many people thought when that action on the part of the Appropriations Committee was announced as a further cut of \$1,100,000,000 that possibly a completely disastrous result for the whole program might well be in the making. Personally, I do not think that is the situation. However, I do think that the cuts that have been made by the Appropriations Committee, substantial as they are, have in large measure brought this program into realistic balance as to what we ought to do for our defense in respect of foreign

outposts and what we ought to do in respect to our defenses at home and what we ought to do in respect to the maintenance of a strong, vital economy. So, so far as I am concerned, I think of course this preferential motion should be defeated, but addressing myself again to the amendment offered by my good friend from New York, I trust that that amendment will be defeated.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. COUDERT. Is it not a fact that the \$5.5 billion ceiling proposed in my amendment would give this administration exactly the same amount it spent in fiscal year 1953, which closed on the 30th of June?

Mr. TABER. Well, within \$75 million. But the program is just beginning to roll, and if those people over across who are really going to carry the load and who are in really dire straits are going to be provided with the things to head off a Russian invasion in Europe—

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. HALLECK. I am not too familiar with these figures, but it has been brought to my attention that something over a billion dollars of unobligated balance came about by reason of the diverting of certain actual military supplies from the European theater to certain other theaters. Certainly if this defense of ours, this outer defense, or whatever you want to call it, is to be effective, then certainly the arms, the weapons, the hardware of war must be available.

Mr. TABER. That is correct.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa.

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, somebody said there was \$9 billion in cash in the Treasury; is that right? Evidently the Foreign Affairs Committee has not heard about that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. GROSS. I did not say that; the gentleman from Indiana, the majority leader, said that.

Mr. GAVIN. Well, they know about it now. But then my good friend, the distinguished chairman of the committee, said that this foreign-aid program is just starting to roll. I would say to my good friend from New York, a great American, it has been rolling pretty strong for the past several years. I say that the amendment offered by the gentleman from New York is in order, it is right, good, sound, common sense, and it is the only way you will stop up this spending and balance the budget—by restricting their spending. They spent \$5.5 billion last year and there is \$6.7 billion lined up for this year, and they have an accumulated stockpile of \$14 billion. If you want to balance the budget, you better restrict spending, be-

cause the difficulty we have had balancing the budget comes about because of these authorized unexpended appropriations that have been made in the past, what might be called an accumulated stockpile.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from New York [Mr. HIESTAND].

(Mr. HIESTAND asked and was given permission to yield his time to the gentleman from Pennsylvania.)

The CHAIRMAN. The gentleman from Pennsylvania is recognized for a minute and a half.

Mr. GAVIN. Our income is about \$68 or \$70 billion a year, and there is \$90 billion set up for the national defense program. Also, you have all the rest of these accumulated stockpiles of authorized but unexpended appropriations for various agencies of Government. Why, on the formula of the more you spend and the less you take in, how are you ever going to balance the budget? You will never balance it. The only way you are going to balance the budget is by restricting this spending to a certain definite amount, as you know approximately what your income is going to be, you know what you are going to spend, and that you are not going to spend a dime more than that, and you can secure a balanced budget. I think that the amendment of the gentleman from New York is a good, sound, commonsense amendment, and the first recommendation to be made that actually can balance the budget. If we apply this to all other branches of Government, restricting them to spending up to \$70 billion, which is about our income, and about the highest income that we have ever had, we can come close to balancing the budget instead of piling up more deficits and be compelled to increase the statutory debt limit. But if you continue to permit promiscuous spending out of these accumulated stockpiles of money, certainly you will never balance the budget.

I hope the gentleman's amendment will be agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I follow that distinguished statesman, my good friend, the gentleman from Pennsylvania, with whom I do not in the slightest agree on the pending amendment, for the purpose of offering my congratulations to the distinguished gentlewoman from Ohio [Mrs. FRANCIS P. BOLTON], for the reason that she obtained the cooperation or vote of 24 Members on her side of the aisle in support of her amendment with regard to UNICEF funds.

I have been carefully observing the proceedings all day. Only 13 Republican Members rose to support the gentleman from New York [Mr. JAVITS] when he offered his first amendment with regard to funds for military assistance for Europe, 9 Republican Members supported him when he offered his second

amendment and 12 Members from the Republican side of the aisle agreed with the gentleman from New York [Mr. JAVITS] when he offered his third amendment.

I was agreeably surprised when 20 Republican Members rose to support the gentleman from Minnesota [Mr. Judd] on the vote on his amendment and only 12 of his Republican colleagues supported the gentleman from New York [Mr. JAVITS] when he offered his fourth amendment which was in connection with the funds for the multi-lateral technical cooperation program.

I indeed congratulate the gentleman from Ohio [Mrs. Bolton] for obtaining the support of so many of her Republican colleagues.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I have not any idea whether the remarks of my friend from New York [Mr. ROONEY] were intended to help us defeat this amendment or not, but defeated it needs to be and for this reason: There used to be a booby trap that was a taut wire stretched across the road some distance above the ground and designed to sheer off a man's head who might be riding a truck or a jeep.

The pending amendment reminds me of that and I say it with perfect understanding of the sincere effort of my friend, the gentleman from New York [Mr. COUDERT], the proponent, and for this reason: Here we are in Europe trying to arm divisions. It has taken a long time to get the equipment ready. A good deal of the equipment is on the production line up in the factories. It has got to be paid for if it is to be shipped. My colleague, the gentleman from New York [Mr. COUDERT] wants us to say: Stop, do not ship.

So much that we have been working for all of this time now is to be stopped because we are going to put a limitation on the expenditure of \$5,500,000,000—\$1.3 billion less than estimated expenditure in fiscal 1954—and that, the proponent says, is not supposed to hurt this program.

There is just one other point I wish to speak of. I ask any Member who supported the mutual security program authorization and who is seriously thinking about voting for this amendment to search his conscience as to whether he can say: I made an effort to support the foreign policy of the President, the policy which the President is trying hard to carry through, in voting affirmatively on this amendment. I do not think he can do so.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS of Mississippi. Mr. Chairman, once there was an old backwoods politician down in Mississippi during the depression who campaigned on the promise that he would be just as honest as the times would permit. Every time one of these foreign-aid bills is brought to the floor of the House, and we debate what its amount really is, I wonder sometimes if perhaps Congress

is not being about as honest as the times will permit.

The amendment offered by the gentleman from New York is an honest amendment. It lets the people know the real cost of this program. How many of you are going to be willing to go back to your districts and tell the people that you voted for a \$14 billion foreign-aid bill? How many of you can do that? Will the times permit the truth to be told? That is what you are doing: you are voting to turn over \$14 billion to this foreign-aid program if you defeat this amendment. No; I suspect you will go back and tell them that you voted for \$4,500,000,000 and say "I did my best to reduce that, but we didn't have the votes." That is what you are going to tell them. As for me, I suppose I have no more sense than to be completely honest about it. If you cut foreign aid to two bits, I would still vote against it.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. DAWSON].

Mr. DAWSON of Utah. Mr. Chairman, I take this time just to remind the House that they have voted here today to appropriate \$23,000,000 to develop foreign mines, which includes lead, zinc, coal, hydroelectric development, and the other items which the gentleman from Pennsylvania mentioned. I have taken the time to read some of the testimony, and it occurs to me that the intent of the committee just is not going to be followed. They say it is limited to critical materials such as uranium. I think we should understand here and now that the Members of this House are voting *carte blanche*, as I see it, aid for all of these projects abroad. Now, you are going to have the opportunity tomorrow to give some assistance to the local coal miners and lead and zinc operators and I only hope that you will be as generous with them tomorrow as you have been with some of these foreigners today. There is no quibbling about it as far as I am concerned. You better lay it right on the line. As far as lead and zinc are concerned, we had a ceiling price of 19 cents a pound, the total amount that the producers of this country could get, and yet we have gone ahead and given money to the foreigners to develop their mines at a world market price a year ago of about 32 cents which we could not take advantage of. I want to say that we have given contracts to foreigners to produce zinc at a contract price of 17 cents a pound, and we are paying for it. The present price is about 11 cents.

(Mr. GROSS asked and was given permission to yield the time allotted him to Mr. COUDERT.)

(Mr. VORYS and Mr. TABER asked and were given permission to yield the time allotted to them to Mr. Ford.)

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I simply want to say that this proposal is about the best way I know of to wreck this program. I see no reason why the Committee on Appropriations should sit night and day to decide how much money shall be appropriated if, after we

have reported, the House decides that only a portion of the money appropriated can be spent.

This amendment reminds me of the little boy who told his playmate that his mother gave him 10 cents every time he took a dose of castor oil. The other little boy say, "Well, what do you do with it?" He said "We put it in the bank. She will not let me spend it." His friend said, "What do you do with it after you put it in the bank?" He said, "Mamma uses it to buy more castor oil." What this amendment does is to say after appropriating funds that we cannot spend them.

I hope the amendment will be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I just want to make a point in answer to the observation of my good friend, the gentleman from Virginia [Mr. GARY]. The Committee on Appropriations has not at any time during this session considered this amendment or an expenditures limitation. What we have considered is new obligational authority and reappropriations, which is an entirely different story. So this amendment opens a wholly new field and reaches out affirmatively and constructively to put some kind of limitation on the piling up of the castor oil in that bank that the gentleman was talking about.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentleman.

Mr. CURTIS of Nebraska. The gentleman's approach is correct, if the Congress is ever going to control expenditures. If those who think the figure of \$5.5 billion is too low, they should increase it. But certainly this Congress should control expenditures, and without the gentleman's amendment they cannot do so.

Mr. COUDERT. I thank the gentleman for his remarks and remind the House that under the Constitution this House has the primary responsibility for the fiscal policy of the United States. We originate tax legislation. We originate appropriations. We pay the bills, and it is up to us to stand on our own and not follow blindly any administration.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Ford] to close debate.

Mr. VORYS. Mr. Chairman, will the gentleman yield to me?

Mr. Ford. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that both the Foreign Affairs Committee and the Appropriations Committee have carefully considered a spending program of \$6.8 billion for next year and that this effectively cuts the necessary expenditures \$1.3 billion?

Mr. Ford. In my opinion, this approach in effect nullifies the action that has heretofore been taken by the legislative committees in both this body and the other body, and the legislative action that has been taken both by the House

and the Senate. I believe it is a lazy man's way of trying to go about attacking a very serious problem. If you want to cut down expenditures, the way to do it is by an item-by-item approach and not to come up at the last minute with a ceiling which in effect will nullify everything you have done, not only for this year but for the past few years.

Here is the picture in a nutshell. It is estimated by the administration that they will expend approximately \$6.8 billion, or thereabouts, in the fiscal year 1954. All of their delivery schedules of hard goods, hardware, military equipment, has been predicated on that expenditure figure.

Over a period of the last 2 or 3 years we have appropriated money for this program and the MSA have gone out and put in orders for tanks, for planes, and for other hardware equipment that involves a long lead time; and just now, when they start to get those into production, and when those deliveries are being made, for the buildup all over the world of our Armed Forces and the Armed Forces of our allies, we want to put a ceiling on which will inevitably and undoubtedly destroy our military strength; not only the military strength of ourselves but of our allies.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Texas.

Mr. MAHON. Is it not true that the adoption of this amendment would diminish the strength of the free world at a time when we need to increase it? And is it not further true that the slowdown of the delivery of these military items through the factory and otherwise will increase the unit cost in the long run? And is it not further true that this sort of an amendment is administratively impracticable?

Mr. FORD. I wish to reemphasize what the gentleman from Texas has said. Here we have these pipelines going, starting at the factory, ready for delivery to our forces overseas and those of our allies, and all of a sudden we say, "No, you cannot spend the money." So they stop production, and equipment remains idle and unused for the purposes of which this Congress and previous Congresses have felt were wise for our national security.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COUDERT].

The question was taken; and on a division (demanded by Mr. ROONEY and Mr. COUDERT) there were—ayes 81, noes 156.

So the amendment was rejected.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 9, line 3, strike out the period and insert: "Provided further, That funds made available in this act shall not be obligated to the extent that total obligations thereof during 1954 shall exceed \$4,463,200,000."

Mr. BUDGE. Mr. Chairman, I have listened with a great deal of interest to the objections raised by the Committee on Foreign Affairs primarily to the

amendment offered by the gentleman from New York [Mr. COUDERT]. I wish to say at the outset, I do not feel those objections are valid to this amendment. I am now offering for your consideration. On yesterday, the distinguished chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER] for whom I have the highest regard, on page 9603 of the CONGRESSIONAL RECORD inserted a table of comparison of obligations—not spending—we are not talking about what the administration spends during the fiscal year 1954—but this is a table of obligations, in other words, what the administration can go out and say in different sections of the world, "This is what we are going to give you." In 1953, and the last month of June, it was estimated, and incidentally, it was by far the largest month of the year, but for the total of 1953, the administration previously in power plus this administration, together were only able to obligate \$4,463,200,000. All I am asking to do in this amendment, and I think we all admit here that some place along the line this program has to start leveling off and go down—the President of the United States has said it is at best a temporary measure—all I seek to do is to level it off at the present plateau of the obligations of the fiscal year 1953 so that no more money is promised all over the world in fiscal year 1954 than was promised in fiscal year 1953. That will have absolutely no effect on the spending this year. I regret to say it will have no effect on the budget this year, but I believe it will very substantially cut down the fiscal difficulties which we will have in fiscal year 1955 and 1956, unless this limit of obligations is imposed. All I am asking to do is to level the program at the level of the past 12 month's experience.

The administration can take whatever obligations they want. It is not a restriction as to the character. They can take any obligation that they want, but simply do not exceed the promises that were made and the obligations that were made for fiscal 1953.

I feel that in view of the statements that have been made, that this is a temporary program and if we do not want to increase it any more than it has been, that the amendment is reasonable, in that it simply carries on what has existed for the last 12 months, with discretion in the Administration as to where they wish to make the obligations.

I sincerely hope the Committee will adopt the amendment.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes, with 2 minutes reserved to the committee on the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, this amendment would reduce the obligating authority of the

agency by \$1,700,000,000. Frankly, I can see no sense in passing the bill at all if we are going to do that. It seems to me the amendment should be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The amendment was rejected.

Mr. SUTTON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. SUTTON: On page 10, line 10, after the period, add the following: "Provided further, That no part of any appropriation contained in this act shall be available to any country that does not guarantee religious freedom."

Mr. H. CARL ANDERSEN. Mr. Chairman, I make a point of order against the amendment that it goes beyond the scope of the bill and requires additional duties on the part of the Administrator.

Mr. SUTTON. Mr. Chairman, of course it is a restriction on the bill, so it does not go any further than the bill itself. It is a restriction on the bill in case they do not guarantee religious freedom.

The CHAIRMAN (Mr. ALLEN of Illinois). It seems to the Chair that the amendment is a proper limitation, and the Chair overrules the point of order.

Mr. SUTTON. Mr. Chairman, this amendment is offered in good faith toward all denominations. I have no prejudice against anyone or their religion, but it so happens that in some countries the Methodists, Baptists, and Church of Christ have been cast out, so to speak, in that they have been denied the right to worship as they please. I think it nothing but right, since the United States of America was founded for religious freedom, that we not appropriate any money to any country unless they guarantee the same religious freedom that we have here, to any denomination.

We are trying to be a guiding light for the freedom-loving peoples of the world, and I cannot see how we can ask our people to relinquish our right of worship regardless of where they may be, but if this amendment fails, this Congress is saying to some countries, "Take our money but you have our permission to close our churches and throw our missionaries into jail in your country. We do not care."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. SUTTON].

The question was taken; and on a division (demanded by Mr. SUTTON) there were—ayes 40, noes 92.

So the amendment was rejected.

Mr. SUTTON. Mr. Chairman, I offer a preferential motion to strike out the enacting clause.

Mr. HALLECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. A preferential motion to strike out the enacting clause has been acted upon but there has been no change in the bill since.

The CHAIRMAN. The gentleman's motion is not in order. The Committee rejected a similar motion, and no change

has been made in the bill since the rejection.

The Chair recognizes the gentleman from Missouri [Mr. JONES] for 2 minutes.

Mr. JONES of Missouri. Mr. Chairman, I take this time to ask the Chairman a question and also to make a comment. I will make the comment first so my time will not run out on me. On page 8 there is a provision that no part of any appropriation contained in this act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of 5,000 pounds net, but not exceeding 9,000 pounds in any one shipment.

The way this is worded I think it would be impossible of administration. I would like to call that to the gentleman's attention and also call his attention to a practice that has grown up in other departments and against which I think there should be a prohibition in this bill. I refer to the fact that I read in my hometown newspaper last week the case of a young fellow in the Navy who came home on leave with his family, bringing his automobile, and so forth. He was asked how he could afford to bring his family and automobile on his leave when he was stationed out at Pearl Harbor. "Well," he said, "what we are doing, we get transferred to Mare Island and then at the expiration of my leave I get retransferred back to Pearl Harbor." That is a way of getting around the intent of Congress and I think if in the activities provided for in this bill any similar practice is followed it should be cut out. I did not have that information at the time we adopted the defense bill, but I think it is a suggestion that the gentleman's committee should take note of.

I want to know if the gentleman thinks this part of the bill can be administered the way it is written.

Mr. TABER. I think it can be. It is the same language that was carried in the Defense Department bill, a general provision to cover it. I am told it is going to work very satisfactorily.

Mr. JONES of Missouri. Is the gentleman in favor of the practice of employees taking leave and the Government lugging their stuff back and forth across the country?

Mr. TABER. No, I am not. This is designed to prevent just that sort of thing.

Mr. JONES of Missouri. The way it is written it will not do it.

Mr. LUCAS. Mr. Chairman, I am heartened by the bravery displayed by the liberty loving people who have fomented and carried out riots and other instances of resentment to the Communist control of East Germany. There is, to be sure, a grave responsibility upon us to let the people know there is hope for a united Germany in the rejection of enslavement.

We must, I believe, demonstrate that we consider Germany our friend, that the great mass of those good German people who would throw off the heavy Russian yoke may know us by our every act to be their true ally.

There are many things that we have done already. The Mutual Security Agency has provided help. There have been many gifts. There have been many expressions of friendship. The funds provided now total in excess of \$3 billion.

But, today, 8 years after the end of World War II, we still hold, in the hands of the Director of the Office of Alien Property, many millions in property while we continue litigating questions and administering and operating businesses. It is obvious that the Director of Alien Property was never intended to become the operator of private businesses indefinitely under the Trading With the Enemy Act. His was and is a fiduciary relationship existing only so long as might be necessary to determine ownership and whether the owners were enemies or in league with the enemy. The purpose of the act was right and proper.

Today, however, our problem is not how to accomplish victory, to the stage of unconditional surrender against the German Government, but rather to cement a friendship between this Nation and the German people which will bind us as solid allies against the continued menace of Communist aggression. Perhaps we could not anticipate that such a different problem would arise within such a short time after our all-out effort in World War II, but such is the ironical history of human events within the short space of 8 years.

The Senator from New Mexico [Mr. CHAVEZ], a few days ago, introduced a resolution in the Senate which has as its purpose the immediate return of property in which it was or is believed that German nationals had an interest, and providing for the payment to the United States of an amount equal to 20 percent of the aggregate value of such property as reimbursement for custodial services rendered by this Government while the property was held, and providing further that no such property should be returned to those exclusively domiciled in the Russian Zone of Germany.

Mr. Chairman, I am in accord with that resolution. There have been other proposals that the Director of Alien Property convert the property so seized by selling it and holding the money. Even if this could be done ethically or legally, it would not serve to end litigation and it would offer no encouragement to those whom we now seek to encourage.

On the contrary, it would be in violation of every rule of fiduciary stewardship known in the law. For converting property of a trustor, a trustee is subject to criminal prosecution. The purchaser could get no title where the property was under a trust.

I am convinced, therefore, that any act to convert and dispose of the property held by the Director of Alien Property would be an unconstitutional taking and conversion of the property of another. More than that, it would provide a fertile subject for propaganda against us at a time when our purpose is to unite the German people as our allies.

I am advised that litigation of principal and collateral issues upon some of the properties could consume an additional 12 to 15 years. Meanwhile, there

is no way that the business can be increased or enlarged to meet competition, but they will become, as indeed some already have become, considerably lessened in value, so that the 20-percent payment to the Government 15 years from now might mean nothing in income after 25 years of expense to the Government in administration.

Therefore, Mr. Chairman, I submit that one important and unusually significant demonstration of our friendship for the German people at this time would be the immediate return of the property held by the Director of Alien Property, subject to the provisions I have mentioned and without resort to any unconstitutional conversion which could only be an act in violation of the property rights of those whose friendship we seek, and whose hope and encouragement we desire to bolster. We cannot, I sincerely believe, continue to make these contributions toward mutual defense and at the same time in good grace withhold from these people the property to which they are rightfully entitled.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALLEN of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, had directed him to report the bill back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. PASSMAN. Mr. Speaker, I offer a motion to recommit the bill.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PASSMAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. PASSMAN moves to recommit the bill, H. R. 6391, making appropriations for Mutual Security for the fiscal year 1954 be recommitted to the Committee on Appropriations.

Mr. TABER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SUTTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 288, nays 115, not voting 28, as follows:

[Roll No. 100]

YEAS—288

Abbutt	Fine	Maillard
Addonizio	Fino	Marshall
Albert	Forand	Matthews
Alexander	Ford	Meader
Allen, Calif.	Forrester	Merrill
Allen, Ill.	Fountain	Morrow
Angell	Frazier	Metcalfe
Arends	Frelinghuysen	Miller, Calif.
Ashmore	Friedel	Miller, Kans.
Aspinall	Fulton	Miller, Md.
Auchincloss	Gamble	Miller, N. Y.
Ayres	Garmatz	Mollohan
Baker	Gary	Morano
Barrett	Gathings	Moss
Bates	George	Moulder
Battle	Goodwin	Multer
Becker	Gordon	Mumma
Bender	Graham	Murray
Bennett, Fla.	Granahan	Néal
Bentley	Grant	Norblad
Bentsen	Green	O'Brien, Ill.
Blatnik	Gregory	O'Brien, Mich.
Boggs	Gubser	O'Brien, N. Y.
Boland	Hagen, Calif.	O'Hara, Ill.
Bolling	Hale	O'Neill
Bolton	Haley	Osmers
Frances P. Bolton	Halleck	Ostertag
Oliver P. Bonin	Harden	Patman
Bosch	Hardy	Patterson
Bowler	Harris	Pelly
Bramblett	Harrison, Va.	Perkins
Brooks, Tex.	Hart	Pfost
Brown, Ga.	Harvey	Pillion
Brownson	Hays, Ark.	Poage
Broyhill	Hays, Ohio	Poff
Buchanan	Herlong	Polk
Burleson	Heseltun	Preston
Bush	Hess	Price
Byrd	Hillelson	Priest
Byrne, Pa.	Hillings	Prouty
Byrnes, Wis.	Hinshaw	Rabaut
Camp	Hollifield	Radwan
Campbell	Holmes	Rains
Canfield	Holt	Ray
Cannon	Holtzman	Rayburn
Carnahan	Hope	Reams
Carriagg	Horan	Rhodes, Ariz.
Case	Hosmer	Rhodes, Pa.
Celler	Howell	Richards
Chelf	Hyde	Riehlman
Chiperfield	Jackson	Riley
Chudoff	James	Rivers
Cole, N. Y.	Jarman	Roberts
Cooley	Javits	Robson, Ky.
Cooper	Johnson	Rodino
Corbett	Jonas, N. C.	Rogers, Colo.
Cotton	Jones, Ala.	Rogers, Fla.
Coudert	Jones, Mo.	Rooney
Cretella	Judd	Sadlak
Crosser	Karsten, Mo.	St. George
Cunningham	Kean	Saylor
Curtis, Mass.	Kearney	Scott
Dague	Kearns	Scudder
Davis, Ga.	Keating	Seely-Brown
Davis, Tenn.	Kee	Selden
Dawson, Ill.	Kelley, Pa.	Shelley
Dawson, Utah	Kelly, N. Y.	Sheppard
Deane	Keogh	Shuford
Delaney	Kersten, Wis.	Siemlinski
Dempsey	Kilburn	Slkes
Derounian	Kling, Calif.	Simpson, Pa.
Devereux	Kirwan	Small
Dodd	Klein	Smith, Va.
Dollinger	Kluczynski	Spence
Donohue	Lane	Springer
Donovan	Lanham	Staggers
Dorn, N. Y.	Lantaff	Stauffer
Doyle	Latham	Steed
Durham	LeCompte	Stringfellow
Eberhart	Lesinski	Sullivan
Edmondson	Lucas	Taber
Elliot	McConnell	Taylor
Ellsworth	McCormack	Teague
Engle	McDonough	Thompson, Tex.
Evins	McMillan	Thornberry
Fallon	Machrowicz	Tollefson
Feighan	Mack, Ill.	Trimble
Fenton	Madden	Tuck
Fernandez	Magnuson	Van Zandt
	Mahon	Vinson
		Vorys

Wainwright
Walter
Wampler
Warrburton
Weichel
Westland

Wickersham
Widnall
Wier
Williams, N. Y.
Wilson, Calif.
Wolverton

Yates
Yorty
Young
Younger
Zablocki

NAYS—115

Abernethy
Adair
Andersen,
H. Carl
Andersen,
August H.
Andrews
Bailey
Barden
Beamer
Belcher
Bennett, Mich.
Berry
Betts
Bishop
Bonner
Bow
Bray
Brooks, La.
Brown, Ohio
Budge
Burdick
Busbey
Carlyle
Cederberg
Chenoweth
Church
Clardy
Clevenger
Cole, Mo.
Colmer
Coon
Crumpacker
Curtis, Mo.
Curtis, Nebr.
Davis, Wis.
D'Ewart
Dondero
Dorn, S. C.
Dowdy

Fisher
Gavin
Gentry
Golden
Gross
Gwinn
Hagen, Minn.
Hand
Harrison, Nebr.
Harrison, Wyo.
Hiestand
Hoeben
Hoffman, Ill.
Hoffman, Mich.
Hruska
Hunter
Ikard
Jenkins
Jensen
Jonas, Ill.
Jones, N. C.
King, Pa.
Knox
Krueger
Laird
Landrum
Long
Lovre
Lyle
McCulloch
McGregor
McIntire
Mack, Wash.
Martin, Iowa
Mason
Miller, Nebr.
Mills
Nelson
Nicholson
Norrell

O'Konski
Passman
Patten
Phillips
Reece, Tenn.
Reed, N. Y.
Rees, Kans.
Regan
Robeson, Va.
Rogers, Tex.
Scherer
Scrivner
Secrest
Shafer
Sheehan
Short
Simpson, Ill.
Smith, Kans.
Smith, Wis.
Sutton
Talle
Thomas
Thompson, La.
Thompson,
Mich.
Utt
Van Pelt
Velde
Vursell
Wharton
Wheeler
Whitten
Williams, Miss.
Wilson, Ind.
Wilson, Tex.
Winstead
Withrow
Wolcott

NOT VOTING—28

Boykin
Buckley
Chatham
Condon
Dies
Dingell
Dolliver
Fogarty
Hébert
Heller

Kilday
McCarthy
McVey
Morgan
Morrison
Oakman
O'Hara, Minn.
Philbin
Pilcher
Powell

Reed, Ill.
Rogers, Mass.
Roosevelt
Schenck
Smith, Miss.
Watts
Wigglesworth
Willis

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Wigglesworth for, with Mr. Dies against.

Mrs. Rogers of Massachusetts for, with Mr. Hébert against.

Mr. Heller for, with Mr. Reed of Illinois against.

Mr. Pilcher for, with Mr. McVey against.

Until further notice:

Mr. Dolliver with Mr. Boykin.

Mr. O'Hara of Minnesota with Mr. Chatham.

Mr. Schenck with Mr. Morrison.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of revising and extending their remarks and to include extraneous matter on the bill just passed.

The SPEAKER. Is there objection?
There was no objection.

CORRECTION OF THE RECORD

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the RECORD of yesterday may be corrected in several minor details. They are largely typographical errors.

The SPEAKER. Without objection, the RECORD will be so corrected.
There was no objection.

CORRECTION ON H. R. 6287

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Clerk in engrossing H. R. 6287 be instructed to correct a clerical error on page 1, line 7, by striking "106 (a) (6)" and inserting in lieu thereof "106 (a)."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISPOSAL OF GOVERNMENT-OWNED RUBBER PLANTS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5728) to authorize the disposal of Government-owned rubber-producing facilities, and for other purposes, disagree to the amendment of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. SHORT, ARENDS, SHAFER, CUNNINGHAM, VINSON, BROOKS of Louisiana, and DURHAM.

DUPLICATE BENEFIT PROVISION OF THE RAILROAD RETIREMENT ACT

(On the request of Mr. THOMPSON of Texas and by unanimous consent, Mr. CROSSER was allowed to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CROSSER. Mr. Speaker, the duplicate benefit provision of the 1951 amendments to the Railroad Retirement Act—the last paragraph of section 3 (b) of the act, as amended—requires that the retirement annuity or pension of an individual shall be reduced if such individual is receiving or is entitled to receive, simultaneously, an old-age insurance benefit under the Social Security Act. The amount of the reduction is the lesser of either the amount of the old-age insurance benefit, or that portion of the railroad annuity which is based on service rendered before 1937—for which no retirement assessments were made.

If the individual is not receiving, or is not entitled to receive, simultaneously, a benefit under the Social Security Act, there is no reduction in his railroad annuity, regardless of the number of years of service prior to 1937 with which he may be credited in the computation of his annuity. At the present time, 90 percent of all retired railroad workers are not entitled to any social-security benefits, and are therefore, receiving full

credit for their railroad service rendered prior to 1937. Only about 30,000 retired workers, or approximately 10 percent of the total annuitants on the rolls, are receiving both railroad retirement and social-security benefits. Only these are affected by the duplicate benefit provision of the Railroad Retirement law.

When the railroad retirement system was first established in 1937, nearly 100,000 individuals retired almost immediately. Some 20,000 of these individuals are still receiving benefits under the law. None of these 100,000 individuals had contributed anything to the support of the railroad retirement system because their service was rendered prior to 1937, when assessments for the support of the system first began. Nevertheless, they were awarded annuities. Railroad workers in active service from the beginning shared the cost of maintaining the retirement system. The crediting of prior service was, therefore, a matter of necessity. It had to be done. Otherwise, it would have been impossible to start the system.

The 1950 amendments to the Social Security Act has changed the picture materially. Under these amendments, an individual with only 1½ years of service in social-security employment is being treated as if he had been in such employment all his life. Not until July 1, 1954, will it be necessary for an individual to have more than 1½ years of service to qualify for an old-age benefit. Retired railroad workers who are getting an annuity based to some extent on service in the railroad industry rendered before 1937, and are also getting an old-age benefit under the social-security system, are, in effect, getting duplicate benefits for untaxed service both under the railroad-retirement and the social-security system. As to these individuals, the original reason for giving them free credit for service in the railroad industry rendered prior to 1937, has ceased to exist.

During the hearings on H. R. 356, a bill to repeal this provision of the law, it was alleged by the proponents of the bill that it is unfair to reduce such annuities, to the extent that they are based on untaxed service before 1937, because these annuities have been paid for. This allegation is nonsense. And there is no better evidence to prove the falsity of this allegation than to compare the benefits received by these individuals with the assessments they have paid under the Railroad Retirement Act. I have made inquiries of the Railroad Retirement Board on a number of such duplicate benefit cases that have come to my attention, and find that the benefits already received, and yet to be received, by such individuals, even with the reduction made because of this duplicate benefit provision, are many, many times the amount of assessments paid by them on any service subsequent to 1936. The fact of the matter is that the 1½ million railroad employees now in active service, and the many millions of future employees in the railroad industry, are paying and will continue to pay the huge bill for carrying retirement insurance for prior service credits.

Some of the letters I have received from the Board on this subject are as follows:

UNITED STATES OF AMERICA,
RAILROAD RETIREMENT BOARD,
Chicago, Ill., February 14, 1952.

DEAR MR. PATRICK: The Honorable ROBERT CROSSER has referred to me for reply your letter of January 16 addressed to him.

You state that you are receiving \$22.60 a month in old-age social security benefits and that Mrs. Patrick is receiving a wife's benefit of \$11.30 a month under the Social Security Act. You then ask, "What relation to the Railroad Retirement Act is the social security?"

The relation of your benefits under the Railroad Retirement Act to those under the Social Security Act is governed by the last paragraph of section 3 (b) of the Railroad Retirement Act, as amended by Public Law No. 234, 82d Congress, 1st session (approved October 30, 1951), which reads as follows:

"The retirement annuity or pension of an individual, and the annuity of his spouse, if any, shall be reduced, beginning with the month in which such individual is, or on proper application would be, entitled to an old-age insurance benefit under the Social Security Act, as follows: (i) In the case of the individual's retirement annuity, by that portion of such annuity which is based on his years of service and compensation before 1937, or by the amount of such old-age insurance benefit, whichever is less, (ii) in the case of the individual's pension, by the amount of such old-age insurance benefit, and (iii) in the case of the spouse's annuity, to one-half the individual's retirement annuity or pension as reduced pursuant to clause (i) or clause (ii) of this paragraph: *Provided, however,* That, in the case of any individual receiving or entitled to receive an annuity or pension on the day prior to the date of enactment of this paragraph, the reductions required by this paragraph shall not operate to reduce the sum of (A) the retirement annuity or pension of the individual, (B) the spouse's annuity, if any, and (C) the benefits under the Social Security Act which the individual and his family receive or are entitled to receive on the basis of his wages, to an amount less than such sum was before the enactment of this paragraph."

As may be seen from the above-quoted paragraph, the payment of retirement benefits to the same person under both systems is permissible except that the annuity under the Railroad Retirement Act otherwise payable, if based to any extent on service before 1937, is to be reduced by the amount of the social security benefit, or by that portion of the annuity which is based on service before 1937, whichever will result in the smaller reduction. If the annuity under the Railroad Retirement Act is based exclusively on service after 1936, the reduction provision will not apply even though the annuitant is receiving or could receive an old-age benefit under the Social Security Act. The reduction provision will have less and less effect on annuities awarded hereafter because such annuities will be based less and less on service before 1937; and ultimately the reduction provision will have no effect at all.

The reason for the reduction provision is found in the report of the Senate Committee on Labor and Public Welfare (which revised the bill S. 1347, later enacted, substantially, as the amendments of October 30, 1951), as follows:

"* * * section 7 provides against duplication of credit for prior service. The amended Social Security Act is so weighted as, in effect, to give credit for service before 1937. In view of this, and since employees who now receive credit for service before 1937 have not paid any taxes with respect to

such service, the sponsors of the bill deemed it appropriate to continue to give credit under the Railroad Retirement Act for prior service, but only if the employee does not also receive an old-age benefit under the Social Security Act." (S. Rept. No. 890, 82d Cong., 1st sess., p. 24.)

Thus, according to the Senate committee report the apparent purpose of the reduction provision is to reduce, to some extent at least, the burden which the railroad retirement system is carrying by reason of the nontaxable service before 1937. The present value of your probable future benefits under the Railroad Retirement Act is about \$5,590 and that of Mrs. Patrick's spouse's annuity, which has just been awarded, about \$1,430. The total railroad retirement annuity payments you have received to date are over \$16,400. These figures add up to \$23,520.

Your annuity began to accrue on July 4, 1936, and railroad-retirement taxes on railroad earnings did not begin until January 1, 1937, so that you have paid no such taxes whatever. But you will continue to receive your annuity for the remainder of your life and Mrs. Patrick's spouse's annuity will be paid as long as you both live, and following your death she will become entitled to a widow's annuity if she is living with you at that time and does not remarry. The railroad-retirement taxes needed to pay these annuities to you and Mrs. Patrick must accordingly come from someone else, namely, those who continue in railroad service until final retirement and thus continue to make tax contributions to the railroad-retirement system rather than to the social-security system. For this reason, apparently, the annuities of those who are not, and as long as they are not, eligible for social-security benefits, are not subject to the reduction provision quoted above, while the annuities of those who are, or become, so eligible, are subject to that provision.

I would like to point out, however, that the recent amendments to the Railroad Retirement Act did benefit you. Before the amendments you were receiving \$100.22 a month under the Railroad Retirement Act, and Mrs. Patrick and you were receiving \$33.90 under the Social Security Act, a total of \$134.12. After the amendments, you will receive \$92.66 a month and Mrs. Patrick will receive \$40 under the Railroad Retirement Act and you both will continue to receive \$33.90 under the Social Security Act, a total of \$166.56, which is an increase of \$32.44 over what both of you were previously receiving under both systems.

The computation of your new benefits under the Railroad Retirement Act is as follows: Your former annuity of \$100.22 was increased by 15 percent to \$115.26, then reduced by \$22.60 (the amount of your social-security benefit) to \$92.66, then increased by \$40 (the amount of Mrs. Patrick's spouse's annuity and the maximum spouse's annuity payable) to a total of \$132.66, which is \$32.44 a month more than your former annuity of \$100.22 under the Railroad Retirement Act.

Our Director of Retirement Claims will shortly inform Mrs. Patrick of the award of her spouse's annuity and you of the adjustment in the amount of your annuity.

I trust that this letter will satisfactorily explain the result on your case of the recent amendments to the Railroad Retirement Act.

Yours very truly,

WILLIAM J. KENNEDY,
Chairman.

(Copy to the Honorable ROBERT CROSSER, U. S. House of Representatives, Washington, D. C.)

UNITED STATES OF AMERICA,
RAILROAD RETIREMENT BOARD,
Chicago, Ill., April 15, 1952.

DEAR MR. SEIBERT: The Honorable ROBERT CROSSER has referred to me for reply your let-

83^D CONGRESS
1ST SESSION

H. R. 6391

IN THE SENATE OF THE UNITED STATES

JULY 23 (legislative day, JULY 6), 1953

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for Mutual
5 Security for the fiscal year ending June 30, 1954, namely:

MUTUAL SECURITY

2 For expenses necessary to enable the President to carry
3 out the provisions of the Mutual Security Act of 1951,
4 Public Law 165, approved October 10, 1951, as amended,
5 as follows:

6 Military assistance, Europe: For assistance authorized
7 by sections 540 and 548 for the purpose of section 101 (a)
8 (1), \$1,860,000,000, together with not to exceed \$1,100,-
9 000,000 of the unobligated balances of appropriations here-
10 tofore made for military assistance, Europe, which balances
11 shall be consolidated with this appropriation;

12 Military assistance, Near East and Africa: For assist-
13 ance authorized by sections 540 and 548 for the purpose of
14 section 201, \$240,000,000; and in addition, for assistance
15 authorized by section 202 (b), \$50,000,000; together with
16 not to exceed \$250,000,000 of the unobligated balances of
17 appropriations heretofore made for military assistance, Near
18 East and Africa, which balances shall be consolidated with
19 this appropriation;

20 Military and other assistance, Asia and the Pacific: For
21 assistance authorized by sections 540 and 548 for the pur-
22 pose of section 301, \$985,000,000, together with not to ex-
23 ceed \$210,000,000 of the unobligated balances of appro-
24 priations heretofore made for military and other assistance,

1 Asia and the Pacific, which balances shall be consolidated
2 with this appropriation;

3 Military assistance, American Republics: For assistance
4 authorized by sections 540 and 548 for the purpose of sec-
5 tion 401, \$15,000,000, together with not to exceed
6 \$30,000,000 of the unobligated balances of appropriations
7 heretofore made for military assistance, American Republics,
8 which balances shall be consolidated with this appropriation;

9 Mutual defense financing, defense support, economic and
10 technical assistance, Europe: For assistance authorized by
11 sections 541 and 548 for the purpose of section 101 (a) (2),
12 \$218,000,000, together with the unobligated balances of
13 appropriations heretofore made for assistance to Spain, and
14 not to exceed \$37,500,000 of the unobligated balances of
15 appropriations heretofore made available for aircraft produc-
16 tion in Italy;

17 Mutual defense financing, defense support, economic and
18 technical assistance, Formosa and the Associated States of
19 Cambodia, Laos, and Vietnam: For assistance authorized by
20 section 541 for the purpose of section 302 (a), \$84,000,000,
21 together with not to exceed \$11,000,000 of the unobligated
22 balances of appropriations heretofore made for this purpose,
23 which balances shall be consolidated with this appropriation;

24 Mutual defense financing, manufacturing in France: For
25 assistance authorized by section 102, \$85,000,000;

1 Mutual defense financing, manufacturing in the United
2 Kingdom: For assistance authorized by section 102, \$85,-
3 000,000;

4 Mutual defense financing, for equipment, materials and
5 services for forces in the Associated States of Cambodia,
6 Laos, and Vietnam: For assistance authorized by section
7 304, \$400,000,000;

8 Mutual special weapons planning: For assistance au-
9 thorized by section 542, \$50,000,000;

10 Economic and technical assistance, Near East and Africa:
11 For assistance authorized by section 543 for the purpose of
12 section 203, \$24,000,000;

13 Economic and technical assistance, defense support, Asia
14 and the Pacific, other than Formosa and the Associated
15 States of Cambodia, Laos, and Vietnam: For assistance au-
16 thorized by section 543 for the purpose of section 302 (a),
17 \$33,000,000;

18 Technical assistance, American Republics and non-self-
19 governing territories of the Western Hemisphere: For as-
20 sistance authorized by section 543 for the purpose of section
21 402, \$20,000,000;

22 Basic materials development: For assistance authorized
23 by sections 514 and 548, \$23,000,000;

24 Special economic assistance, Near East and Africa: For
25 assistance authorized by section 206, \$120,000,000;

1 Palestine refugee program: Not to exceed \$44,063,250
2 of the unobligated balances of appropriations heretofore made
3 for this purpose are hereby continued available during the
4 fiscal year 1954;

5 Special economic assistance, India and Pakistan: For
6 assistance authorized by section 302 (b), \$75,000,000;

7 Movement of migrants: For contributions authorized by
8 section 534, \$10,000,000;

9 Multilateral technical cooperation: For contributions au-
10 thorized by section 544 during the fiscal year 1954 under
11 section 404 (b) of the Act for International Development,
12 \$5,250,000;

13 Contributions to United Nations International Children's
14 Emergency Fund: For an additional amount for "Contribu-
15 tions to United Nations International Children's Emergency
16 Fund" for the calendar year 1953, \$5,000,000;

17 Ocean freight, voluntary relief shipments: For payments
18 authorized by section 535, \$1,428,000, together with not
19 to exceed \$397,000 of the unobligated balances heretofore
20 appropriated for this purpose, which balances shall be con-
21 solidated with this appropriation;

22 Contributions to United Nations Korean Reconstruction
23 Agency: For making contributions authorized by section
24 303 (a), \$50,000,000.

GENERAL PROVISIONS

1
2 Appropriations in this Act for economic or technical
3 assistance and allocations from any appropriations to the
4 Director for Mutual Security, or the Mutual Security Agency,
5 or the Department of State, shall be available, without limita-
6 tion on any authority conferred by the Mutual Security Act
7 of 1951, as amended, or any Act continued in effect thereby,
8 for rents in the District of Columbia; expenses of attendance
9 at meetings concerned with the purposes of such appropria-
10 tions; employment of aliens, by contract, for services abroad;
11 examination of estimates of appropriations in the field; main-
12 tenance, operation, and hire of aircraft; hire of passenger
13 motor vehicles and, in addition, passenger motor vehicles
14 abroad may be exchanged or sold and replaced by an equal
15 number of such vehicles; transportation of privately owned
16 automobiles; entertainment within the United States (not to
17 exceed \$15,000) ; exchange of funds without regard to section
18 3651 of the Revised Statutes (31 U. S. C. 543) ; loss by
19 exchange; expenditures (not to exceed \$50,000) of a
20 confidential character other than entertainment, provided
21 that a certificate of the amount of each such expenditure, the
22 nature of which it is considered inadvisable to specify, shall
23 be made by the Director or Deputy Director of Mutual
24 Security, and every such certificate shall be deemed a suffi-
25 cient voucher for the amount therein specified; insurance of

1 official motor vehicles in foreign countries; rental of quarters
2 outside the continental limits of the United States to house
3 employees of the United States Government (without regard
4 to section 322 of the Act of June 30, 1932, as amended
5 (40 U. S. C. 278a)), lease, necessary repairs and alterations
6 to quarters; actual expenses of preparing and transporting to
7 their former homes in the United States or elsewhere the
8 remains of persons or members of the families of persons
9 who may die while such persons are away from their homes
10 participating in activities under the Mutual Security Act of
11 1951, as amended; purchase of uniforms; ice and drinking
12 water for use abroad; and services of commissioned officers of
13 the Public Health Service and of the Coast and Geodetic
14 Survey, and for the purposes of providing such services
15 the Public Health Service may appoint not to exceed twenty
16 officers in the Regular Corps to grades above that of senior
17 assistant, but not above that of director, as otherwise au-
18 thorized in accordance with section 711 of the Act of July 1,
19 1944, as amended (42 U. S. C. 211a), and the Coast and
20 Geodetic Survey may appoint for such purposes not to exceed
21 twenty commissioned officers in addition to those otherwise
22 authorized: *Provided*, That not to exceed \$57,500,000 shall
23 be available for administrative expenses of the departments
24 and agencies concerned with the administration of the pro-
25 grams provided for herein, and no part of such amount shall

1 be used to pay the salary of any civilian employee at a rate
2 greater than that paid by the State Department for compara-
3 ble work or services in the same area: *Provided further,*
4 That none of the funds provided herein shall be used after
5 September 30, 1953, to pay any employee a basic salary of
6 \$12,000 or more per annum, except that this prohibition
7 shall not apply to two-thirds of the number of employees
8 being paid at the basic salary of \$12,000 or more per annum
9 on June 30, 1953: *Provided further,* That appropriations
10 made under this Act shall be available for expenses in connec-
11 tion with travel of personnel outside the continental United
12 States, including travel of dependents and transportation of
13 personal effects, household goods, or automobiles of such
14 personnel when any part of such travel or transportation be-
15 gins in the current fiscal year pursuant to travel orders issued
16 in that fiscal year, notwithstanding the fact that such travel
17 or transportation may not be completed during the current
18 fiscal year: *Provided further,* That no part of any appro-
19 priation contained in this Act shall be available for expense
20 of transportation, packing, crating, temporary storage, dray-
21 age, and unpacking of household goods and personal effects
22 in excess of an average of five thousand pounds net but not
23 exceeding nine thousand pounds net in any one shipment,
24 but the limitations imposed herein shall not be applicable in
25 the case of employees transferred to or serving in stations

1 outside the continental United States under orders relieving
2 them from a duty station within the United States prior
3 to August 1, 1953.

4 No part of any appropriation contained in this Act shall
5 be used to pay the salary or wages of any person who en-
6 gages in a strike against the Government of the United
7 States or who is a member of an organization of Govern-
8 ment employees that asserts the right to strike against the
9 Government of the United States, or who advocates, or is
10 a member of an organization that advocates, the overthrow
11 of the Government of the United States by force or violence:
12 *Provided*, That for the purposes hereof an affidavit shall be
13 considered prima facie evidence that the person making
14 the affidavit has not contrary to the provisions of this para-
15 graph engaged in a strike against the Government of the
16 United States, is not a member of an organization of Govern-
17 ment employees that asserts the right to strike against the
18 Government of the United States, or that such person does
19 not advocate, and is not a member of an organization that
20 advocates, the overthrow of the Government of the United
21 States by force or violence: *Provided further*, That any
22 person who engages in a strike against the Government of
23 the United States or who is a member of an organization of
24 Government employees that asserts the right to strike against
25 the Government of the United States, or who advocates, or

1 who is a member of an organization that advocates, the
2 overthrow of the Government of the United States by force
3 or violence and accepts employment the salary or wages
4 for which are paid from any appropriation or fund contained
5 in this or any other Act shall be guilty of a felony and,
6 upon conviction, shall be fined not more than \$1,000 or
7 imprisoned for not more than one year, or both: *Provided*
8 *further*, That the above penalty clause shall be in addition to,
9 and not in substitution for, any other provisions of exist-
10 ing law.

11 This Act may be cited as the "Mutual Security Appro-
12 priation Act, 1954".

Passed the House of Representatives July 22, 1953.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

JULY 23 (legislative day, JULY 6), 1953
Read twice and referred to the Committee on
Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 28, 1953
For actions of July 27, 1953
83rd-1st, No. 141*

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HIGHLIGHTS: Senate passed famine-relief and customs-simplification bills. Senate committee reported foreign-aid, drought-relief, and supplemental appropriation bills. Senate ratified sugar-agreement continuation. Both Houses received President's recommendation for Korea aid. Both Houses agreed to conference report on Interior appropriation bill. House passed orchard-loans bill. House committees reported bills on famine relief, public-for-private timber-land exchange, and banking loans on forest tracts. President signed agricultural appropriation bill. House received conference reports on 1st-independent-offices and Labor-HEW appropriation bills.

SENATE

1. FOREIGN AID. Both Houses received the President's message recommending appropriation of \$200 million for rehabilitation and economic support of Korea (H. Doc. 215). to Appropriations Committees (pp. 10144-5, 10238). *July 21, 1953*

The Appropriations Committee reported with amendments H. R. 6391, the foreign-aid appropriation bill (S. Rept. 645)(p. 10231). Sens. Bridges and McCarthy submitted amendments which they intend to propose to this bill (pp. 10242-3, 10247-9).

Sen. Wiley spoke in favor of continuation of the International Children's Emergency Fund (pp. 10247-9).

2. DROUGHT-RELIEF APPROPRIATIONS. The Appropriations Committee reported with amendment H. J. Res. 305, the drought-relief appropriation bill (S. Rept. 646)(p. 10241).
3. SUPPLEMENTAL APPROPRIATION BILL, 1954. The Appropriations Committee reported with amendments this bill, H. R. 6200 (S. Rept. 677)(p. 10241). Sen. Bridges submitted amendments which he intends to offer to the bill (p. 10323).
4. CUSTOMS SIMPLIFICATION. Passed with amendments H. R. 5877, the customs-simplification bill (pp. 10268-79).
5. INTERIOR APPROPRIATION BILL, 1954. Both Houses agreed to the conference report

- on this bill, H. R. 4828, and acted on amendments which had been reported in disagreement (pp. 10308-23, 10162-72). This bill will now be sent to the President.
6. Famine Relief. Passed as reported S. 2249, to enable the President, during the period ending Mar. 15, 1954, to furnish to peoples friendly to the U. S. emergency assistance in meeting famine or other urgent relief requirements (pp. 10279-301). Under the modified bill, the aid would be limited to 100,000,000.
 7. CONTRACTS. The Finance Committee reported with amendments H. R. 6287, to extend and amend the Renegotiation Act of 1951 (S. Rept. 643)(p. 10231).
 8. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 2451, to amend the Veterans' Preference Act of 1944 with respect to preference to disabled veterans for Federal employment (S. Rept. 679)(p. 10323).
 9. FEDERAL REGISTER. Passed without amendment H. R. 1806, to provide statutory authority for publication by the Administrative Committee on the Federal Register from time to time as deemed necessary (p. 10264). This bill will now be sent to the President.
 10. STATISTICS. Passed without amendment S. 2348, to repeal the authority for collection and publication of red-cedar shingles by the Census Bureau (p. 10266).
 11. REORGANIZATION. The Vice President appointed Sen. Ferguson, Sen. McClellan, S. C. Hollister, and Robert G. Storey to the Commission on Organization of the Executive Branch of the Government (p. 10231).
 12. SAFETY. Senate conferees were appointed on S. 1105, to incorporate the National Safety Council (pp. 10301-2).
 13. SUGAR. Ratified Executive L, prolonging the international agreement regarding production and marketing of sugar (pp. 10302-8).
 14. REPORT. Both Houses received from the President a report of the National Advisory Council on International Monetary and Financial Problems (H. Doc. 214) (pp. 10238, 10144).
 15. FARM PROGRAM. Sen. Langer inserted various local statements on the present status of the farm program, etc. (pp. 10239, 10246-7).
 16. POULTRY. Sen. Bridges inserted resolutions from the N. H. Poultry Growers Assn. (pp. 10240-1).
 17. WATER CONSERVATION. Sen. Johnson, Tex., spoke in favor of developing Texas water resources (pp. 10245).
- HOUSE
18. Famine Relief. The Agriculture Committee reported with amendment H. R. 6016, to make CCC commodities available to the President to meet famine or other urgent relief needs in friendly foreign countries (H. Rept. 983)(p. 10228).
 19. FORESTRY LOANS. The Banking and Currency Committee reported with amendment H. R. 5603, to authorize national banking associations to make loans on forest tracts (H. Rept. 969)(p. 10228).
 20. FOREIGN TRADE. The Interstate and Foreign Commerce Committee reported without

MUTUAL SECURITY APPROPRIATION BILL, 1954

JULY 25 (legislative day, JULY 6), 1953.—Ordered to be printed

Mr. BRIDGES, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6391]

The Committee on Appropriations, to whom was referred the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House----- \$4, 438, 678, 000

Amount of increase by Senate (net)----- 123, 975, 811

Amount of bill as reported to the Senate---- 4, 562, 653, 811

Amount of revised estimates, 1954----- 5, 138, 922, 277

Amount of appropriations, 1953----- 6, 143, 000, 000

The bill as reported to the Senate:

Under the revised estimates for 1954----- 576, 268, 466

Under the appropriations for 1953----- 1, 580, 346, 189

GENERAL STATEMENT

The magnitude of our Mutual Security Program and the continuing and repetitious character of requests presented to the committee for this purpose have caused the committee members to give this bill especially serious and thoughtful consideration. Accordingly, a review of our foreign aid program to date and an analysis of our prospects for the future are appropriate.

There is no precedent in history for the generous treatment accorded by the United States people to the peoples of the world. Following World War II, the war-devastated areas of Europe were economically prostrate. Vast undeveloped and sometimes overpopulated areas of the world were prostrate. Unrest was widespread. Multiplying the problems resulting from these conditions was the studied effort of atheistic communism to extend its domination over these troubled areas and, as a corollary to that, there was the problem of caring for the millions of refugees who fled Communist oppression.

The United States was impelled by a desire to assist both our friends in battle and our defeated foes. We were also impelled by a desire (1) to improve these nations economically and thereby to permit the survival of free institutions, and (2) to secure for ourselves free allies in the maintenance of world peace. Beginning with fiscal year 1946, Congress has appropriated vast sums of money for this general purpose. Since that time, and exclusive of the amount named in this bill, Congress has provided a total amount in excess of \$50 billion for these purposes. If this amount of money could be placed in a repository and handed out at the rate of \$1 million per day, the fund would still not be exhausted in the year 2098. This is money which someday must be repaid by American taxpayers.

The committee is gratified to note that progress has been made. The economy of Europe produces approximately 138 percent of its prewar counterpart. Certain progress has been made in undeveloped areas and a military machine capable of resisting aggression is in the process of formation in Europe. More progress would unquestionably have been made had the conflict in Korea not come about.

There is some question in the minds of the committee members whether our assistance has always been administered intelligently and economically. Some question also exists whether the recipient countries have in all cases utilized this aid to their full advantage. The rapidity of recovery on the part of some nations as compared with the faltering progress of others forms part of the basis for this uncertainty.

The committee feels that an impoverished America would not be able to achieve the goals of world stability and national security. It believes that the most valid criterion in determining the extent of foreign aid must be the judgment as to whether, in the light of all other factors involved, the economy of this Nation can remain strong with this constant drain on its resources.

The committee has noted that the deficit in the United States budget for the fiscal year just completed exceeds the total budget of most of the countries receiving aid. It feels that the United States must remain financially sound since the threat of Communist aggression may remain over a period of many years.

It appears that even though the vast sums of money spent on foreign aid have not always been productive, yet the goals we established in 1948 have been largely reached and even surpassed. The committee feels that the nations of the free world are now able to take up a more proportionate share of the common burden.

In the light of these developments the committee believes that some reduction in foreign aid appropriations is in order. In arriving at the actual amounts appropriated, the committee considered all available sources of information, not only a communication from President Eisenhower, and the mass of material presented by the Mutual Security Agency, but also voluminous material developed by the committee itself. In addition, the committee has drawn on its accumulated experience in dealing with this appropriation for a number of years.

PROGRAM AND POLICY

While it is beyond the scope of this document to catalog every detail involved in this vast outlay of money, the committee feels an obligation to set forth a few comments relating to the program and some of the motives which compel the action which it has taken.

The committee concurs in the judgment of the President that this program is not a "give-away" program. It is a necessary defense expenditure in much the same sense that our military spending constitutes defense expenditure. However, the committee feels that in view of the progress made to date, in view of the 8.8 billions of dollars in the "pipeline" en route to Europe, as well as the large unobligated balance we are making available, and collaterally in view of the great deficit in our own national budget, some reductions and economies are mandatory and will not sacrifice the objectives of this program.

NEW PROGRAMS AND UTILIZATION OF FUNDS APPROPRIATED

The committee has noted the tendency to apply dual standards in describing past expenditures. On the one hand, Mutual Security Agency has justified expenditures of funds appropriated by stating that it was following congressional mandate; on the other hand, it has stated that when good judgment dictated a line of action contrary to that directed by the Congress it has withheld expenditures. In order to clarify this point the committee recommends that in the future when new programs appear desirable, or when congressional directives appear to be unworkable, the Mutual Security Agency should consult with the Foreign Affairs Committee of the House of Representatives, the Foreign Relations Committee of the Senate, and the Appropriations Committees of both Houses of Congress prior to to any action which will commit this Nation to any policy or line of conduct.

In this connection, the committee notes that it has reviewed the material presented by the Mutual Security Agency relating to its new Industrial Development Program. The committee disapproves of this program and feels that it is conceived on an unsound and unrealistic basis. It is the direction of the committee that no appropriated funds should be utilized for this project or for any similar program.

EUROPEAN PAYMENTS UNION

The European Payments Union was designed as an intra-European bank and clearinghouse which would accomplish currency convertibility by underwriting trade between member countries. The United States Government has, after an initial outlay of about \$350 million, continued to make up deficits of the member countries so that it has paid overall for this project a sum in excess of \$900 million. The objective of increasing intra European trade and thereby strengthening the economics of the various countries is unquestionably worthwhile. The European Payments Union has contributed greatly to attaining this objective. However, the committee notes that in making up deficits of the member countries the United States Government loses all control over money thus expended. While on the basis of present information the committee defers recommending statutory restrictions, yet it urges caution in approving such expenditures and will follow closely all such transactions in the future.

COUNTERPART EXPENDITURES

According to existing legislation much of the foreign nonmilitary aid must be matched by the local currency of the recipient country. Ninety percent of this local currency is designed to be spent on projects within the country, proposed by the other government and subject to veto by the Mutual Security Agency. The other 10 percent is used for administrative purposes and for creating a stockpile of strategic materials. The committee feels, however, that much of the 90 percent portion of the local currency expenditure has been utilized, either directly or indirectly, as support for the budget of the recipient countries. The committee feels that a project by project approval of counterpart expenditures prior to commitment by the foreign government would not only be of greater long-run benefit to the recipient government but would permit the counterpart projects to be specifically identified rather than having the funds commingled with the budget of the recipient country.

LISBON-TYPE AID

A review of the Lisbon-type aid by the committee results in the feeling that this expenditure of over \$400 million in fiscal years 1952 and 1953 in France is unwise for two reasons: First, the statutory authority is at best vague; second, it does not permit postaudit. The committee has received assurances that this type expenditure will be discontinued. The committee concurs in this stated policy of the Mutual Security Agency.

ADMINISTRATION

The President has recommended the placing of all foreign aid operations in one agency. It is the hope of the committee that the new Foreign Operations Administration will soon be so organized that it will be a single unit eliminating the duplicating service groups so that a more coherent presentation of any remaining problems will be possible at the next session of the Congress. The committee also feels that this elimination of duplicate facilities will permit economies in personnel which appear to be greatly needed in these organizations.

OFFICE OF THE SPECIAL REPRESENTATIVE IN EUROPE

The committee concurs in the action of the Mutual Security Agency in removing from this regional office in Paris any coordinating or supervising functions. The committee feels, however, that the 40 percent cut in personnel envisaged by the Mutual Security Agency is far too modest. The committee feels that an office, the sole function of which is to represent the United States in regional organizations, should be able to satisfy its obligations with a fraction of the 650 personnel contemplated for the office and it expects the agency to reduce the number of employees in this office to a number commensurate with its new limited function.

PERSONNEL

The Congress has in the past appropriated money to permit the Mutual Security Agency to pay higher wages (supergrades) primarily to attract competent men from private industry. Information available to the committee indicates that less than 10 percent of these supergrades have been used for this purpose or are now occupied by competent men from private industry. While the committee hesitates to recommend the imposition of ironclad restrictions on these positions, it does feel that the preponderance of Government personnel elevated to these positions constitute an inconsistency with the intent of Congress and it suggests a rigid review of this situation by the Director and by the Civil Service Commission.

As a corollary to the practice mentioned in the foregoing paragraph, information available to the committee indicates that some occupants of important posts within the Mutual Security Agency have few of the qualifications that should be required for such positions. The committee suggests and recommends a review and evaluation of incumbent personnel, considering both the qualifications of the incumbent and the requirements of the position.

INDUSTRIAL INSPECTION

The committee has noted with concern that MSA has expended vast sums of money but has made little or no effort to adequately supervise the activities into which this money was placed. In industrial projects alone over \$600 million has been approved since 1948 for 143 industrial projects, costing a total of \$2,250,000,000. As of January 1, 1953, MSA had instituted no systematic plan of progress reporting or field checks for these projects.

The committee feels that sound administration of any funds demands careful periodic inspection of any project into which those funds are placed.

OFFSHORE PROCUREMENT

The committee has noted with interest and with consternation the extremely involved process of arriving at the awarding of contracts in the offshore procurement program. The committee feels that the responsible officials should place highest priority to the simple procurement objective of securing the best price possible consistent with the ability of the bidder to perform. It is recognized that some consideration must be given to the distribution of these contracts among

the various nations in Europe. However, it appears to the committee that too much emphasis has been placed on awarding these contracts in areas where political objectives are desired or where a balance-of-payments problem exists.

SUMMARY OF APPROPRIATION ACTION

The total revised budget estimate was \$7,321,738,256, of which the new appropriation requested was \$5,138,922,277 and the unobligated balance was \$2,182,815,979. The House allowed a total of \$6,196,688,179, of which the appropriation recommended was \$4,438,678,000 and the unobligated balance was \$1,758,010,179. The Senate committee has allowed \$6,745,318,202, of which the recommended appropriation is \$4,562,653,811 and the unobligated balances are \$2,182,664,391. This is a total decrease from the revised budget estimates of \$576,420,054 and an increase over the House of \$548,630,023. Of the appropriations recommended, this is a decrease from the estimates of \$576,268,466 and an increase over the House of \$123,975,811. Of the unobligated balances recommended, this is an increase over the House of \$424,654,212. The House in this bill recommended that \$1,758,010,179 of the unobligated balances as of June 30, 1953, be continued available. In limiting the unobligated balances to this figure, the House effected a cut in the program of \$424,654,212, the greater part of which is in military assistance. The executive branch requested that all unexpended balances of prior appropriations be continued available for the same purposes during fiscal year 1954. This request covered both obligated and unobligated funds. The House dealt only with the unobligated portion of this unexpended balance, clearly specifying the extent to which, if any, the unobligated balance in each separate appropriation account should continue to be available. However, it failed to deal with, or even to mention, the obligated portion of the unexpended balances. This failure, in the case of the Mutual Security Program, creates a very peculiar and difficult problem. As a part of the normal operations of the Mutual Security Program, funds which have been obligated are frequently deobligated and then reobligated for the same or similar purposes. These deobligations are part of the customary process of doing business, and they normally reflect the kind of changes in program detail that are continuously required in the conduct of any large business; and particularly one embracing the kind of activities involved in the Mutual Security Program. They may represent, for example: a change in specifications for items ordered, a downward adjustment in the price of items ordered, a shift from wheat to rice in an MSA program, a decision to substitute a new model for an old model in the MDAP program, etc. However, this process of deobligation and reobligation in fiscal year 1954 or fiscal year 1953 or prior funds cannot take place unless Congress specifies that unexpended balances of prior appropriations will continue available in fiscal year 1954. If no such provision is made and there is a deobligation, the funds covering the obligation lapse and must be returned to the Treasury. In other words, under the House bill, MSA must suffer reductions in its programs, or alternatively, repeatedly and consciously carry on activities and deliver commodities and military equipment which, in the light of most recent information, will not be the activ-

ities, commodities and military equipment that best meet the requirements.

In view of these facts the committee recommends that the limitations on prior year unobligated balances be removed from the bill and in lieu thereof general language continuing all unobligated and unexpended balances be included in the bill. The language consolidates all of these balances with the new funds provided for. The language is as follows:

UNEXPENDED BALANCES

The unexpended balance under each paragraph of title III, Mutual Security, of the Supplemental Appropriation Act, 1953, shall remain available for its original purposes through June 30, 1954, and shall be consolidated with the appropriate fiscal year 1954 appropriation made for the same general purpose in this act.

MILITARY ASSISTANCE

In the Mutual Security appropriation bill of 1954 there is increased emphasis on the military aid feature and a corresponding decrease in economic assistance. This bill also reflects a shifting emphasis of military aid from Europe to the Far East. This shift has been made in accordance with the changing requirements of these areas. In the past the great bulk of foreign military assistance has been directed to Europe. Since we have in Europe already a military force in the process of formation and since vast amounts of obligated funds are in the "pipeline" directed to Europe, the committee feels this change in emphasis is desirable.

The committee is recommending for these purposes an appropriation of \$3,220 million an increase of \$70 million in appropriations over the House bill. The increase of \$70 million represents an increase of \$40 million for Europe and \$50 million for Asia and the Pacific and a decrease of \$20 million in the Near East and Africa. In addition, the committee recommends the full amount of the budget estimate of unobligated balances of \$1,992,256,805 which is an increase of \$402,256,805 over the House bill, the House having limited the unobligated carryover to \$1,590 million. A detailed table appears at the end of this report indicating the figures for each area of the world. Included in the above figures are the unexpended balances for Spain which are continued available and are authorized to be merged with appropriate fiscal year 1954 appropriations. These include \$100 million appropriated in the fiscal year 1952 and \$25 million appropriated in fiscal year 1953 which by the terms of the respective appropriation acts are available exclusively for assistance to Spain. Language has been included in the bill requiring that not less than 20 percentum in excess of the sums set up in the budget justifications shall be available for assistance to the Nationalist Government of China on Formosa.

MUTUAL DEFENSE FINANCING

The committee recommends for Mutual Defense financing an appropriation of \$794,000,000, a decrease of \$78,000,000 from the House bill. The decrease of \$78,000,000 is the net result of an increase of \$22,000,000 in mutual defense financing for Europe and a decrease of \$100,000,000 in Indochina force support. In addition the committee recommends the full amount of the budget estimate of un-

obligated balances of \$133,528,502, which is an increase of \$9,978,573 over the House, the House having limited the unobligated balance to \$123,549,929.

For Formosa and Indochina, the House recommended an appropriation of \$84,000,000 and a carryover unobligated balance of \$11,000,000. The committee recommends an appropriation of \$84,000,000 together with the total unobligated balance of \$17,821,596, for a total of \$101,821,596 of which \$20,000,000 is for Indochina and the balance of \$81,821,596 for Formosa;

MUTUAL SPECIAL WEAPONS

The committee is recommending for the purpose of this item the House allowance of \$50 million, which is \$50 million under the revised budget estimate.

A provision has been included in this paragraph requiring the return of any weapons delivered under the provisions of this appropriation upon the request of the President.

TECHNICAL ASSISTANCE

The committee is recommending for these purposes an appropriation of \$128,363,500, an increase over the House of \$51,363,500. The increase represents item increases of \$18,743,499 in the Near East and Africa, \$28,278,001 in Asia and Pacific, and \$4,342,000 in the American Republics. In addition, the committee recommends the full amount of the unobligated balances of \$11,871,000.

BASIC MATERIALS DEVELOPMENT

The committee is recommending for basic materials development an appropriation of \$19 million, a decrease of \$4 million under the House, and a reduction of \$13,500,000 under the estimate of \$32,500,000. Most of these funds will be used to purchase foreign currencies from the United States Treasury when available.

SPECIAL ECONOMIC ASSISTANCE

The committee recommends for special economic assistance an appropriation of \$239,000,000, an increase of \$44,000,000 over the House amount. The increase of \$44,000,000 is found in two items. An increase of \$20,000,000 was made in Arab States, Israel, and Iran and an increase of \$24,000,000 was made in dependent overseas territories, Africa. In addition, the committee recommends the full amount of the budget estimate of unobligated balances of \$44,063,250 for the Palestine Refugee Program.

MULTILATERAL ORGANIZATIONS

Movement of migrants.—The committee is recommending for this item an appropriation of \$7,500,000, a decrease of \$2,500,000 from the House allowance and the budget estimates.

Multilateral technical cooperation.—The committee recommends an appropriation of \$9,500,000 under the new authorization of \$13,-

750,000 or a reduction of \$4,250,000 under the estimate. In addition, the committee recommends the full amount of the special estimate for calendar year 1953 of \$4,595,812. The House recommended an appropriation of \$5,250,000 under the new authorization and made no provision for the special estimate for calendar year 1953.

International Children's Emergency Fund.—The committee is recommending for the two items under this head an appropriation of \$18,814,333, the budget estimate, an increase of \$13,814,333 over the House bill, which allowed \$5,000,000.

The committee recommends the full amount of the new authorization of \$9,000,000 for the calendar year 1954 with the understanding that no payments will be made to the fund until after January 1, 1954.

With respect to all multilateral organizations, the committee cannot emphasize too strongly its objections to representatives of this Government making commitments which obligate the United States to make payments beyond the amount appropriated for the year designated. United States Representatives at international organizations are directed to propose and insist within the limit of their power that United States contributions be reduced to not more than one-third.

Ocean freight.—The committee recommends for ocean freight an appropriation of \$1,580,166, an increase of \$152,166 over the House bill and \$151,588 over the estimate. The committee allowed \$244,834 in unobligated balances, which is \$152,166 less than the House allowed unobligated carryover and \$151,588 under the estimate. The committee action takes cognizance of a revision in the amount of the estimated unobligated balance and the actual unobligated balance.

Korean Reconstruction Agency.—The committee recommends for this item an appropriation of \$70,300,000, the estimate, an increase of \$20,300,000 over the House. The committee also allowed the budget estimate for unobligated carryover of \$700,000. The House had disallowed all unobligated carryover funds for this item.

REFUGEES AND DISPLACED PERSONS

The committee strongly urges that the Refugees and Displaced Persons Organization resume its activity in the most serious problems now confronting Chinese refugees. Those people are now abandoned and in destitution in southeastern Asia. The committee believes that the organization should assist those people in their rehabilitation and resettlement. They number in the hundreds of thousands and apparently will not, in the foreseeable future, be able to return to their homes on the mainland of China. Certainly, if any group deserves the attention of the Refugees and Displaced Persons Organization, it is the Chinese refugees who at this time have a crying need for this organization supported by the United Nations.

CORPORATIONS

The following language has been included in the bill. This language is necessary since many of the activities of the technical assistance program in the other American Republics are channeled through the Institute of Inter-American Affairs.

CORPORATION

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year 1954 for such corporation:

Institute of Inter-American Affairs.

SHIPMENT OF HOUSEHOLD EFFECTS

The following restriction included in the bill by the House has been stricken from the bill:

: Provided further, That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953

ENGINEERING FEES

The following new section has been included in the bill by the committee:

Sec. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committee on Appropriations of the Senate and House of Representatives at least twice annually:

SURPLUS AGRICULTURE COMMODITIES

The following new section has been included in the bill by the committee:

Sec. 104. Of the funds appropriated by this act, except funds appropriated for assistance under sections 541 and 548 of the Mutual Security Act of 1951, as amended, not less than \$100,000,000 shall be used to carry out the provisions of section 550.

USE OF FUNDS OR COUNTERPART FUNDS FOR PAYMENTS ON DEBT

The following section has been included in the bill by the committee:

Sec. 105. None of the funds provided by this act nor any of the counterpart funds generated as a result of assistance under this act may be used to balance the budgets or to make payments on the debts of any country nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payments on their debts.

MUTUAL SECURITY PROGRAM, 1954

Comparison of estimates, unobligated balances, and recommendations of Senate committee and House of Representatives

Chapter and area	Budget estimate	Recommended by House	Recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	
				Budget estimate	House bill
Military assistance:					
Europe:					
Appropriation.....	\$2, 172, 197, 910	\$1, 860, 000, 000	\$1, 900, 000, 000	—\$272, 197, 910	+\$40, 000, 000
Unobligated carryover.....	1, 371, 977, 003	1, 100, 000, 000	1, 371, 977, 003	-----	+271, 977, 003
Subtotal.....	3, 544, 174, 913	2, 960, 000, 000	3, 271, 977, 003	—272, 197, 910	+311, 977, 003
Near East and Africa:					
Appropriation.....	301, 082, 120	290, 000, 000	270, 000, 000	—31, 082, 120	—20, 000, 000
Unobligated carryover.....	312, 713, 221	250, 000, 000	312, 713, 221	-----	+62, 713, 221
Subtotal.....	613, 795, 341	540, 000, 000	582, 713, 221	—31, 082, 120	+42, 713, 221
Asia and Pacific:					
Appropriation.....	1, 059, 876, 014	985, 000, 000	1, 035, 000, 000	—24, 876, 014	+50, 000, 000
Unobligated carryover.....	256, 843, 411	210, 000, 000	256, 843, 411	-----	+46, 843, 411
Subtotal.....	1, 316, 719, 425	1, 195, 000, 000	1, 291, 843, 411	—24, 876, 014	+96, 843, 411
American Republics:					
Appropriation.....	15, 414, 010	15, 000, 000	15, 000, 000	—414, 010	-----
Unobligated carryover.....	50, 723, 170	30, 000, 000	50, 723, 170	-----	+20, 723, 170
Subtotal.....	66, 137, 180	45, 000, 000	65, 723, 170	—414, 010	+20, 723, 170
Total, Military Assistance:					
Appropriation.....	3, 543, 570, 054	3, 150, 000, 000	3, 220, 000, 000	—328, 570, 054	+70, 000, 000
Unobligated carryover.....	1, 992, 256, 805	1, 590, 000, 000	1, 992, 256, 805	-----	+402, 256, 805
Total.....	5, 540, 826, 859	4, 740, 000, 000	5, 212, 256, 805	—328, 570, 054	+472, 256, 805
Mutual defense financing:					
Europe:					
Appropriation.....	268, 200, 000	218, 000, 000	240, 000, 000	—28, 200, 000	+22, 000, 000
Unobligated carryover.....	115, 706, 906	112, 549, 929	115, 706, 906	-----	+3, 156, 977
Subtotal.....	383, 906, 906	330, 549, 929	355, 706, 906	—28, 200, 000	+25, 156, 977
Formosa and Indochina:					
Appropriation.....	84, 000, 000	84, 000, 000	84, 000, 000	-----	-----
Unobligated carryover.....	17, 821, 596	11, 000, 000	17, 821, 596	-----	+6, 821, 596
Subtotal.....	101, 821, 596	95, 000, 000	101, 821, 596	-----	+6, 821, 596
Manufacturing in France:					
Appropriation.....	100, 000, 000	85, 000, 000	85, 000, 000	—15, 000, 000	-----
Unobligated carryover.....	-----	-----	-----	-----	-----
Subtotal.....	100, 000, 000	85, 000, 000	85, 000, 000	—15, 000, 000	-----
Manufacturing in the United Kingdom:					
Appropriation.....	100, 000, 000	85, 000, 000	85, 000, 000	—15, 000, 000	-----
Unobligated carryover.....	-----	-----	-----	-----	-----
Subtotal.....	100, 000, 000	85, 000, 000	85, 000, 000	—15, 000, 000	-----
Indochina force support:					
Appropriation.....	400, 000, 000	400, 000, 000	300, 000, 000	—100, 000, 000	—100, 000, 000
Unobligated carryover.....	-----	-----	-----	-----	-----
Subtotal.....	400, 000, 000	400, 000, 000	300, 000, 000	—100, 000, 000	—100, 000, 000
Total, mutual-defense financing:					
Appropriation.....	952, 200, 000	872, 000, 000	794, 000, 000	—158, 200, 000	—78, 000, 000
Unobligated carryover.....	133, 528, 502	123, 549, 929	133, 528, 502	-----	+9, 978, 573
Total.....	1, 085, 728, 502	995, 549, 929	927, 528, 502	—158, 200, 000	—68, 021, 427
Mutual special weapons:					
Appropriation.....	100, 000, 000	50, 000, 000	50, 000, 000	—50, 000, 000	-----
Unobligated carryover.....	-----	-----	-----	-----	-----
Total.....	100, 000, 000	50, 000, 000	50, 000, 000	—50, 000, 000	-----

Comparison of estimates, unobligated balances, and recommendations of Senate committee and House of Representatives—Continued

Chapter and area	Budget estimate	Recom- mended by House	Recom- mended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	
				Budget estimate	House bill
Technical assistance:					
Near East and Africa:					
Appropriation.....	\$42,743,499	\$24,000,000	\$42,743,499	-----	+\$18,743,499
Unobligated carryover..	1,049,001	-----	1,049,001	-----	+1,049,001
Subtotal.....	43,792,500	24,000,000	43,792,500	-----	+19,792,500
Asia and Pacific:					
Appropriation.....	61,278,001	33,000,000	61,278,001	-----	+28,278,001
Unobligated carryover..	10,821,999	-----	10,821,999	-----	+10,821,999
Subtotal.....	72,100,000	33,000,000	72,100,000	-----	+39,100,000
American Republics:					
Appropriation.....	24,342,000	20,000,000	24,342,000	-----	+4,342,000
Unobligated carryover..	-----	-----	-----	-----	-----
Subtotal.....	24,342,000	20,000,000	24,342,000	-----	+4,342,000
Total technical assistance:					
Appropriation.....	128,363,500	77,000,000	128,363,500	-----	+51,363,500
Unobligated carryover..	11,871,000	-----	11,871,000	-----	+11,871,000
Total.....	140,234,500	77,000,000	140,234,500	-----	+63,234,500
Basic materials development:					
Appropriation.....	32,500,000	23,000,000	19,000,000	-\$13,500,000	-4,000,000
Unobligated carryover..	-----	-----	-----	-----	-----
Total.....	32,500,000	23,000,000	19,000,000	-13,500,000	-4,000,000
Special economic assistance:					
Arab States, Israel and Iran:					
Appropriation.....	140,000,000	120,000,000	140,000,000	-----	+20,000,000
Unobligated carryover..	-----	-----	-----	-----	-----
Subtotal.....	140,000,000	120,000,000	140,000,000	-----	+20,000,000
Dependent overseas terri- tories:					
Appropriation.....	24,000,000	-----	24,000,000	-----	+24,000,000
Unobligated carryover..	-----	-----	-----	-----	-----
Subtotal.....	24,000,000	-----	24,000,000	-----	+24,000,000
Palestine refugee program:					
Appropriation.....	-----	-----	-----	-----	-----
Unobligated carryover..	44,063,250	44,063,250	44,063,250	-----	-----
Subtotal.....	44,063,250	44,063,250	44,063,250	-----	-----
India and Pakistan:					
Appropriation.....	94,400,000	75,000,000	75,000,000	-19,400,000	-----
Unobligated carryover..	-----	-----	-----	-----	-----
Subtotal.....	94,400,000	75,000,000	75,000,000	-19,400,000	-----
Total, special economic as- sistance:					
Appropriation.....	258,400,000	195,000,000	239,000,000	-19,400,000	+44,000,000
Unobligated carryovers..	44,063,250	44,063,250	44,063,250	-----	-----
Total.....	302,463,250	239,063,250	283,063,250	-19,400,000	+44,000,000
Multilateral organizations:					
Movement of migrants:					
Appropriation.....	10,000,000	10,000,000	7,500,000	-2,500,000	-2,500,000
Unobligated carryover..	-----	-----	-----	-----	-----
Subtotal.....	10,000,000	10,000,000	7,500,000	-2,500,000	-2,500,000
Multilateral technical coop- eration:					
Appropriation.....	13,750,000	5,250,000	9,500,000	-4,250,000	+4,250,000
Unobligated carryover..	-----	-----	-----	-----	-----
Subtotal.....	13,750,000	5,250,000	9,500,000	-4,250,000	+4,250,000

Comparison of estimates, unobligated balances, and recommendations of Senate committee and House of Representatives—Continued

Chapter and area	Budget estimate	Recom- mended by House	Recom- mended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	
				Budget estimate	House bill
Multilateral organizations—Con. International children's emergency fund: Appropriation.....	\$9,000,000		9,000,000		+\$9,000,000
Unobligated carryover.....					
Subtotal.....	9,000,000		9,000,000		+9,000,000
Ocean freight: Appropriation.....	1,428,578	\$1,428,000	\$1,580,166	+\$151,588	+152,166
Unobligated carryover.....	396,422	397,000	244,834	-151,588	-152,166
Subtotal.....	1,825,000	1,825,000	1,825,000		
Korean reconstruction agency: Appropriation.....	70,300,000	50,000,000	70,300,000		+20,300,000
Unobligated carryover.....	700,000		700,000		+700,000
Subtotal.....	71,000,000	50,000,000	71,000,000		+21,000,000
Total multilateral organiza- tions: Appropriation.....	104,478,578	66,678,000	97,880,166	-6,598,412	+31,202,166
Unobligated carryover.....	1,096,422	397,000	944,834	-151,588	+547,834
Total.....	105,575,000	67,075,000	98,825,000	-6,750,000	+31,750,000
Special estimates for calendar year 1953: International children's emergency fund: Appropriation.....	9,814,333	5,000,000	9,814,333		+4,814,333
Unobligated carryover.....					
Subtotal.....	9,814,333	5,000,000	9,814,333		+4,814,333
Multilateral technical assist- ance: Appropriation.....	4,595,812		4,595,812		+4,595,812
Unobligated carryover.....					
Subtotal.....	4,595,812		4,595,812		+4,595,812
Total, special estimates, calendar year, 1953: Appropriation.....	14,410,145	5,000,000	14,410,145		+9,410,145
Unobligated carry- over.....					
Total.....	14,410,145	5,000,000	14,410,145		+9,410,145
Total: Appropriation.....	5,138,922,277	4,438,678,000	4,562,653,811	-576,268,466	+123,975,811
Unobligated carryover.....	2,182,815,979	1,758,010,179	2,182,664,391	-151,588	+424,654,212
Grand total.....	7,321,738,256	6,196,688,179	6,745,318,202	-576,420,054	+548,630,023

MUTUAL SECURITY

Comparative statement of appropriations for 1953, estimates for 1954, and amounts recommended in bill for 1954

Items	Appropriations, 1953	Budget esti- mates, 1954	Revised esti- mates, 1954	House bill, 1954	Amount rec- ommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—			
						Appropriations, 1953	Budget esti- mates, 1954	Revised esti- mates, 1954	House bill
MILITARY ASSISTANCE									
Europe.....	1 \$3,047,200,000	\$4,103,610,000	\$2,172,197,910	\$1,860,000,000	\$1,900,000,000	-\$1,147,200,000	-\$2,203,610,000	-\$272,197,910	+\$40,000,000
Near East and Africa.....	506,000,000	530,000,000	301,082,120	290,000,000	270,000,000	-236,000,000	-260,000,000	-31,082,120	-20,000,000
Asia and Pacific.....	541,700,000	810,000,000	1,059,876,014	985,000,000	1,035,000,000	+493,300,000	+225,000,000	-24,876,014	+50,000,000
American Republics.....	51,700,000	20,100,000	15,414,010	15,000,000	15,000,000	-36,700,000	-5,100,000	-414,010	-----
Total, military assistance.....	4,146,600,000	5,463,710,000	3,548,570,054	3,150,000,000	3,220,000,000	-926,600,000	-2,243,710,000	-328,570,054	+70,000,000
MUTUAL DEFENSE FINANCING									
Europe.....	1,432,800,000	1,141,690,000	268,200,000	218,000,000	240,000,000	-1,192,800,000	-901,690,000	-23,200,000	+22,000,000
Formosa and Indochina.....	165,500,000	104,700,000	84,000,000	84,000,000	84,000,000	-81,500,000	-20,700,000	-----	-----
Manufacturing in France.....	-----	-----	100,000,000	85,000,000	85,000,000	+85,000,000	+85,000,000	-15,000,000	-----
Manufacturing in United King- dom.....	-----	-----	100,000,000	85,000,000	85,000,000	+85,000,000	+85,000,000	-15,000,000	-----
Indochina force support.....	-----	-----	400,000,000	400,000,000	300,000,000	+300,000,000	+300,000,000	-100,000,000	-100,000,000
Total, mutual defense fi- nancing.....	1,598,300,000	1,246,390,000	952,200,000	872,000,000	794,000,000	-804,300,000	-452,390,000	-158,200,000	-78,000,000
Mutual special weapons.....	-----	-----	100,000,000	50,000,000	50,000,000	+50,000,000	+50,000,000	-50,000,000	-----
TECHNICAL ASSISTANCE									
Near East and Africa.....	50,800,000	35,000,000	42,743,499	24,000,000	42,743,499	-8,056,501	+7,743,499	-----	+18,743,499
Asia and Pacific.....	104,800,000	76,000,000	61,278,001	33,000,000	61,278,001	-43,521,999	-14,721,999	-----	+28,278,001
American Republics.....	20,300,000	25,000,000	24,342,000	20,000,000	24,342,000	+4,042,000	-658,000	-----	+4,342,000
Total, technical assistance.....	175,900,000	136,000,000	128,363,500	77,000,000	128,363,500	-47,536,500	-7,636,500	-----	+51,363,500
Basic materials development.....	64,200,000	80,000,000	32,500,000	23,000,000	19,000,000	-45,200,000	-61,000,000	-13,500,000	-4,000,000

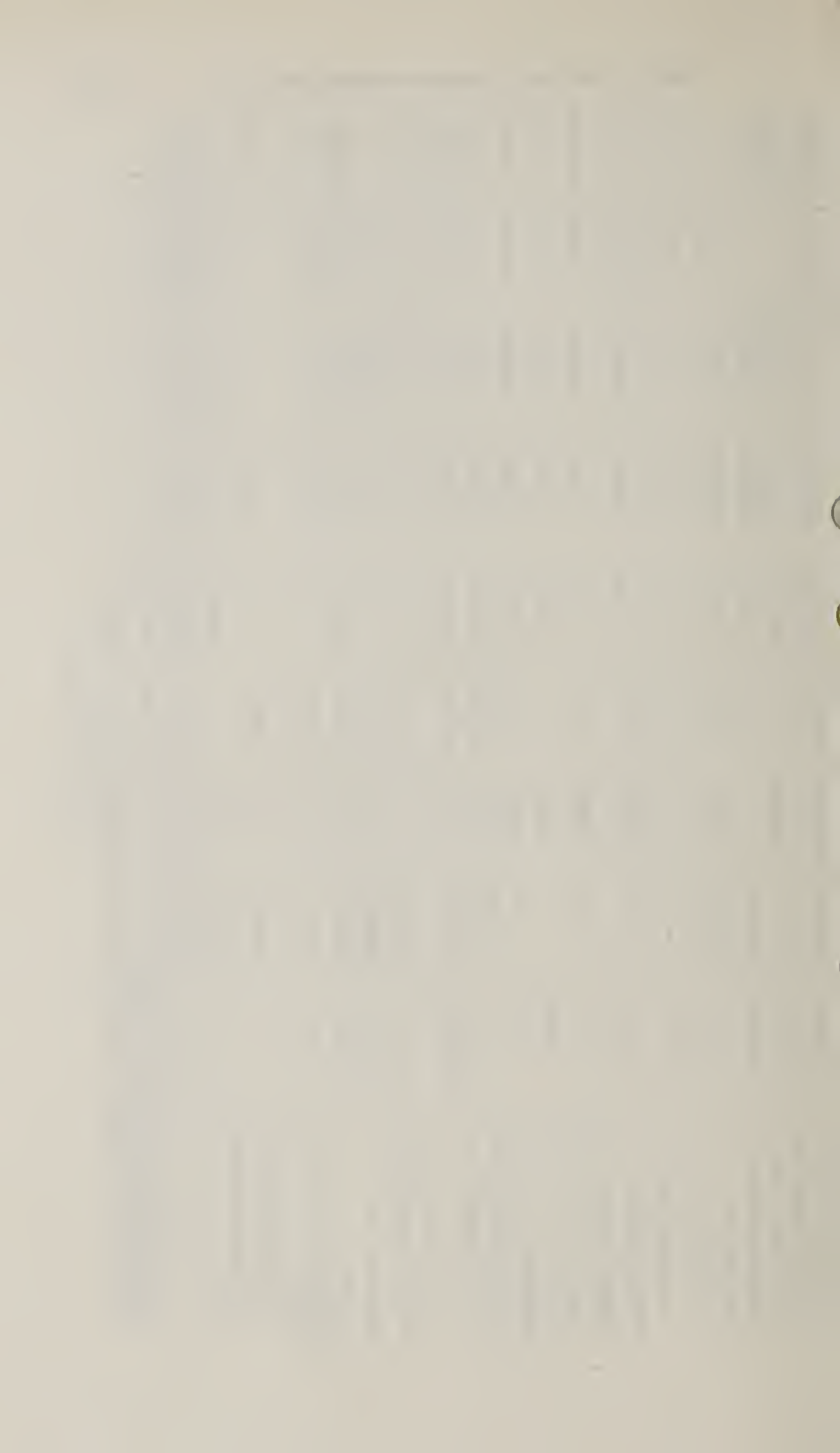
SPECIAL ECONOMIC ASSISTANCE									
Arab States, Israel and Iran.....	70,200,000	140,000,000	140,000,000	120,000,000	140,000,000	+69,800,000	-----	-----	+20,000,000
Dependent Overseas Territories—Africa.....	-----	24,000,000	24,000,000	-----	24,000,000	+24,000,000	+24,000,000	-----	+24,000,000
Palestine Refugee Program.....	60,100,000	65,000,000	(¹)	(¹)	(¹)	-60,100,000	-65,000,000	-----	-----
India and Pakistan.....	-----	220,000,000	94,400,000	75,000,000	75,000,000	+75,000,000	-145,000,000	-19,400,000	-----
Total, special economic assistance.....	130,300,000	425,000,000	258,400,000	195,000,000	239,000,000	+108,700,000	-186,000,000	-19,400,000	+44,000,000
MULTILATERAL OBLIGATIONS									
Movement of migrants.....	9,200,000	10,000,000	10,000,000	10,000,000	7,500,000	-1,700,000	-2,500,000	-2,500,000	-2,500,000
Multilateral technical cooperation.....	9,200,000	16,000,000	13,750,000	5,250,000	9,500,000	+300,000	-6,500,000	-4,250,000	+4,250,000
International children's emergency fund.....	6,700,000	-----	9,000,000	-----	9,000,000	+2,300,000	+9,000,000	-----	+9,000,000
Ocean freight.....	2,600,000	1,800,000	1,428,578	1,428,000	1,580,166	-1,019,834	-219,834	+151,588	+152,166
Korean Reconstruction Agency.....	-----	71,100,000	70,300,000	50,000,000	70,300,000	+70,300,000	-800,000	-----	+20,300,000
Total, multilateral organizations.....	27,700,000	98,900,000	104,478,578	66,678,000	97,880,166	+70,180,166	-1,019,834	-6,598,412	+31,202,166
OTHER									
Dependent overseas territories.....	-----	30,000,000	-----	-----	-----	-----	-30,000,000	-----	-----
Spain.....	-----	120,000,000	-----	-----	-----	-----	-120,000,000	-----	-----
Total.....	6,143,000,000	7,600,000,000	5,124,512,132	4,433,678,000	4,548,243,666	-1,594,756,334	-3,051,756,334	-576,268,466	+114,565,666
Special estimates for calendar year 1953:	-----	-----	-----	-----	-----	-----	-----	-----	-----
International children's emergency fund.....	-----	9,814,333	9,814,333	5,000,000	9,814,333	+9,814,333	-----	-----	+4,814,333
Multilateral technical assistance.....	-----	4,595,812	4,595,812	-----	4,595,812	+4,595,812	-----	-----	+4,595,812
Total, Mutual Security.....	26,143,000,000	27,614,410,145	5,138,922,277	4,438,678,000	4,562,633,811	-1,580,346,189	-3,051,756,334	-576,268,466	+123,975,811

¹ Excludes \$125 million transferred by MSA pursuant to law from military assistance to mutual defense financing.

² Includes \$141.1 million in local currency transactions.

³ Includes \$119 million in local currency transactions.

⁴ Unobligated balance of \$44,003,250 to be carried forward for use in fiscal year 1954. No new funds requested.



H. R. 6391

[Report No. 645]

IN THE SENATE OF THE UNITED STATES

JULY 23 (legislative day, JULY 6), 1953

Read twice and referred to the Committee on Appropriations

JULY 25 (legislative day, JULY 6), 1953

Reported by Mr. BRIDGES, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for Mutual
5 Security for the fiscal year ending June 30, 1954, namely:

6 MUTUAL SECURITY

7 For expenses necessary to enable the President to carry
8 out the provisions of the Mutual Security Act of 1951,
9 Public Law 165, approved October 10, 1951, as amended;
10 as follows:

11 Military assistance, Europe: For assistance authorized

1 by sections 540 and 548 for the purpose of section 101 (a)
 2 (1), ~~\$1,860,000,000~~ *\$1,900,000,000*, together with not to
 3 exceed ~~\$1,100,000,000~~ of the unobligated balances of ap-
 4 propriations heretofore made for military assistance, Europe,
 5 which balances shall be consolidated with this appropriation;

6 Military assistance, Near East and Africa: For assist-
 7 ance authorized by sections 540 and 548 for the purpose of
 8 section 201, \$240,000,000; and in addition, for assistance
 9 authorized by section 202 (b), ~~\$50,000,000~~ *\$30,000,000*;
 10 together with not to exceed ~~\$250,000,000~~ of the unobligated
 11 balances of appropriations heretofore made for military as-
 12 sistance, Near East and Africa, which balances shall be
 13 consolidated with this appropriation;

14 Military and other assistance, Asia and the Pacific: For
 15 assistance authorized by sections 540 and 548 for the pur-
 16 pose of section 301, ~~\$985,000,000~~ *\$1,035,000,000*, together
 17 with not to exceed ~~\$210,000,000~~ of the unobligated bal-
 18 ances of appropriations heretofore made for military and
 19 other assistance, Asia and the Pacific, which balances shall be
 20 consolidated with this appropriation, *of which there shall be*
 21 *available for assistance to the Nationalist Government of*
 22 *China on Formosa a sum equal to not less than 20 per centum*
 23 *in excess of the sums set up in the document entitled, "Mutual*
 24 *Security Program estimates, fiscal year 1954"*;

1 Military assistance, American Republics: For assistance
2 authorized by sections 540 and 548 for the purpose of sec-
3 tion 401, \$15,000,000, ~~together with not to exceed~~
4 ~~\$30,000,000~~ of the unobligated balances of appropriations
5 heretofore made for military assistance, American Republics,
6 which balances shall be consolidated with this appropriation;

7 Mutual defense financing, defense support, economic and
8 technical assistance, Europe: For assistance authorized by
9 sections 541 and 548 for the purpose of section 101 (a) (2) ,
10 ~~\$218,000,000 \$240,000,000, together with the unobligated~~
11 ~~balances of appropriations heretofore made for assistance to~~
12 ~~Spain, and not to exceed \$37,500,000 of the unobligated bal-~~
13 ~~ances of appropriations heretofore made available for aircraft~~
14 ~~production in Italy;~~

15 Mutual defense financing, defense support, economic and
16 technical assistance, Formosa and the Associated States of
17 Cambodia, Laos, and Vietnam: For assistance authorized by
18 section 541 for the purpose of section 302 (a) , \$84,000,-
19 000, ~~together with not to exceed \$11,000,000 of the un-~~
20 ~~obligated balances of appropriations heretofore made for this~~
21 ~~purpose, which balances shall be consolidated with this ap-~~
22 ~~propriation;~~

23 Mutual defense financing, manufacturing in France: For
24 assistance authorized by section 102, \$85,000,000;

1 Mutual defense financing, manufacturing in the United
2 Kingdom: For assistance authorized by section 102, \$85,-
3 000,000;

4 Mutual defense financing, for equipment, materials and
5 services for forces in the Associated States of Cambodia,
6 Laos, and Vietnam: For assistance authorized by section
7 304, ~~\$400,000,000~~ \$300,000,000;

8 Mutual special weapons planning: For assistance au-
9 thorized by section 542, \$50,000,000: *Provided, That none*
10 *of the funds appropriated hereunder shall be used for the*
11 *transfer of special weapons unless the recipient nation has*
12 *agreed to the return of such weapons to the Government of*
13 *the United States when their return is requested by the Presi-*
14 *dent of the United States;*

15 Economic and technical assistance, Near East and Africa:
16 For assistance authorized by section 543 for the purpose of
17 Section 203, ~~\$24,000,000~~ \$42,743,499;

18 Economic and technical assistance, defense support, Asia
19 and the Pacific, other than Formosa and the Associated
20 States of Cambodia, Laos, and Vietnam: For assistance au-
21 thorized by section 543 for the purpose of section 302 (a),
22 ~~\$33,000,000~~ \$61,278,001;

23 Technical assistance, American Republics and non-self-
24 governing territories of the Western Hemisphere: For as-

1 assistance authorized by section 543 for the purpose of section
2 402, ~~\$20,000,000~~; ~~\$24,342,000~~;

3 Basic materials development: For assistance authorized
4 by sections 514 and 548, ~~\$23,000,000~~ ~~\$19,000,000~~;

5 Special economic assistance, Near East and Africa: For
6 assistance authorized by section 206, ~~\$120,000,000~~ ~~\$164,-~~
7 ~~000,000~~;

8 Palestine refugee program: Not to exceed \$44,063,250
9 of the unobligated balances of appropriations heretofore made
10 for this purpose are hereby continued available during the
11 fiscal year 1954;

12 Special economic assistance, India and Pakistan: For
13 assistance authorized by section 302 (b), \$75,000,000;

14 Movement of migrants: For contributions authorized by
15 section 534, ~~\$10,000,000~~ ~~\$7,500,000~~;

16 Multilateral technical cooperation: For contributions au-
17 thorized by section 544 during the fiscal year 1954 under
18 section 404 (b) of the Act for International Development,
19 \$5,250,000;

20 *Multilateral technical cooperation: For contributions au-*
21 *thorized by section 544 during the fiscal year 1954 under*
22 *section 404 (b) of the Act for International Development,*
23 *\$9,500,000; and, in addition, for the same purpose during*
24 *the calendar year 1953 authorized by section 404 (b) of the*

1 *Act for International Development, as amended by section*
 2 *709 of the Mutual Security Act of 1953, \$4,595,812;*

3 *Contributions to United Nations International Children's*
 4 *Emergency Fund: For an additional amount for "Contribu-*
 5 *tions to United Nations International Children's Emergency*
 6 *Fund" for the calendar year 1953, \$5,000,000;*

7 *International children's welfare work: For contributions*
 8 *during the calendar year 1954 authorized by section 545,*
 9 *\$9,000,000; and, in addition, for contributions during the*
 10 *calendar year 1953 authorized by section 12 of the Mutual*
 11 *Security Act of 1952, \$9,814,333;*

12 *Ocean freight, voluntary relief shipments: For payments*
 13 *authorized by section 535, \$1,428,000 \$1,580,166, together*
 14 *with not to exceed \$397,000 of the unobligated balances*
 15 *heretofore appropriated for this purpose, which balances shall*
 16 *be consolidated with this appropriation;*

17 *Contributions to United Nations Korean Reconstruction*
 18 *Agency: For making contributions authorized by section*
 19 *303 (a), \$50,000,000 \$70,300,000.*

20 *UNEXPENDED BALANCES*

21 *The unexpended balance under each paragraph of title*
 22 *III, Mutual Security, of the Supplemental Appropriation*
 23 *Act, 1953, shall remain available for its original purposes*
 24 *through June 30, 1954, and shall be consolidated with the*

1 appropriate fiscal year 1954 appropriation made for the same
2 general purpose in this Act.

3 CORPORATION

4 The following corporation is hereby authorized to make
5 such expenditures, within the limits of funds and borrowing
6 authority available to such corporation or agency and in
7 accord with law, and to make such contracts and commitments
8 without regard to fiscal year limitations as provided by sec-
9 tion 104 of the Government Corporation Control Act, as
10 amended, as may be necessary in carrying out the programs
11 set forth in the Budget for the fiscal year 1954 for such
12 corporation:

13 Institute of Inter-American Affairs.

14 GENERAL PROVISIONS

15 SEC. 102. Appropriations in this Act for economic or tech-
16 nical assistance and allocations from any appropriations to the
17 Director for Mutual Security, or the Mutual Security Agency,
18 or the Department of State, shall be available, without limita-
19 tion on any authority conferred by the Mutual Security Act
20 of 1951, as amended, or any Act continued in effect thereby,
21 for rents in the District of Columbia; expenses of attendance
22 at meetings concerned with the purposes of such appropria-
23 tions; employment of aliens, by contract, for services abroad;
24 examination of estimates of appropriations in the field; main-

1 tenance, operation, and hire of aircraft; hire of passenger
2 motor vehicles and, in addition, passenger motor vehicles
3 abroad may be exchanged or sold and replaced by an equal
4 number of such vehicles; transportation of privately owned
5 automobiles; entertainment within the United States (not to
6 exceed \$15,000) ; exchange of funds without regard to section
7 3651 of the Revised Statutes (31 U. S. C. 543) ; loss by
8 exchange; expenditures (not to exceed \$50,000) of a
9 confidential character other than entertainment, provided
10 that a certificate of the amount of each such expenditure, the
11 nature of which it is considered inadvisable to specify, shall
12 be made by the Director or Deputy Director of Mutual
13 Security, and every such certificate shall be deemed a suffi-
14 cient voucher for the amount therein specified; insurance of
15 official motor vehicles in foreign countries; rental of quarters
16 outside the continental limits of the United States to house
17 employees of the United States Government (without regard
18 to section 322 of the Act of June 30, 1932, as amended
19 (40 U. S. C. 278a)), lease, necessary repairs and alterations
20 to quarters; actual expenses of preparing and transporting to
21 their former homes in the United States or elsewhere the
22 remains of persons or members of the families of persons
23 who may die while such persons are away from their homes
24 participating in activities under the Mutual Security Act of
25 1951, as amended; purchase of uniforms; ice and drinking

1 water for use abroad; and services of commissioned officers of
2 the Public Health Service and of the Coast and Geodetic
3 Survey, and for the purposes of providing such services
4 the Public Health Service may appoint not to exceed twenty
5 officers in the Regular Corps to grades above that of senior
6 assistant, but not above that of director, as otherwise au-
7 thorized in accordance with section 711 of the Act of July 1,
8 1944, as amended (42 U. S. C. 211a), and the Coast and
9 Geodetic Survey may appoint for such purposes not to exceed
10 twenty commissioned officers in addition to those otherwise
11 authorized: *Provided*, That not to exceed \$57,500,000 shall
12 be available for administrative expenses of the departments
13 and agencies concerned with the administration of the pro-
14 grams provided for herein, and no part of such amount shall
15 be used to pay the salary of any civilian employee at a rate
16 greater than that paid by the State Department for compara-
17 ble work or services in the same area: *Provided further*,
18 That none of the funds provided herein shall be used after
19 September 30, 1953, to pay any employee a basic salary of
20 \$12,000 or more per annum, except that this prohibition
21 shall not apply to two-thirds of the number of employees
22 being paid at the basic salary of \$12,000 or more per annum
23 on June 30, 1953: *Provided further*, That appropriations
24 made under this Act shall be available for expenses in connec-
25 tion with travel of personnel outside the continental United

1 States, including travel of dependents and transportation of
2 personal effects, household goods, or automobiles of such
3 personnel when any part of such travel or transportation be-
4 gins in the current fiscal year pursuant to travel orders issued
5 in that fiscal year, notwithstanding the fact that such travel
6 or transportation may not be completed during the current
7 fiscal year: *Provided further*, That no part of any appro-
8 priation contained in this Act shall be available for expense
9 of transportation, packing, crating, temporary storage, dray-
10 age, and unpacking of household goods and personal effects
11 in excess of an average of five thousand pounds net but not
12 exceeding nine thousand pounds net in any one shipment,
13 but the limitations imposed herein shall not be applicable in
14 the case of employees transferred to or serving in stations
15 outside the continental United States under orders relieving
16 them from a duty station within the United States prior
17 to August 1, 1953.

18 *SEC. 103. Payments made from funds appropriated*
19 *herein for engineering fees and services to any individual*
20 *engineering firm on any one project in excess of \$25,000*
21 *shall be reported to the Committees on Appropriations of the*
22 *Senate and House of Representatives at least twice annually.*

23 *SEC. 104. Of the funds appropriated by this Act, except*
24 *funds appropriated for assistance under sections 541 and*
25 *548 of the Mutual Security Act of 1951, as amended, not*

1 less than \$100,000,000 shall be used to carry out the pro-
2 visions of section 550.

3 *SEC. 105. None of the funds provided by this Act nor*
4 *any of the counterpart funds generated as a result of assist-*
5 *ance under this Act may be used to balance the budgets or to*
6 *make payments on the debts of any country nor shall any of*
7 *these funds be expended for any purpose for which funds*
8 *have been withdrawn by any recipient country to make*
9 *payments on their debts.*

10 *SEC. 106. No part of any appropriation contained in this*
11 *Act shall be used to pay the salary or wages of any person*
12 *who engages in a strike against the Government of the United*
13 *States or who is a member of an organization of Govern-*
14 *ment employees that asserts the right to strike against the*
15 *Government of the United States, or who advocates, or is*
16 *a member of an organization that advocates, the overthrow*
17 *of the Government of the United States by force or violence:*
18 *Provided, That for the purposes hereof an affidavit shall be*
19 *considered prima facie evidence that the person making*
20 *the affidavit has not contrary to the provisions of this para-*
21 *graph engaged in a strike against the Government of the*
22 *United States, is not a member of an organization of Govern-*
23 *ment employees that asserts the right to strike against the*
24 *Government of the United States, or that such person does*
25 *not advocate, and is not a member of an organization that*

1 advocates, the overthrow of the Government of the United
2 States by force or violence: *Provided further*, That any
3 person who engages in a strike against the Government of
4 the United States or who is a member of an organization of
5 Government employees that asserts the right to strike against
6 the Government of the United States, or who advocates, or
7 who is a member of an organization that advocates, the
8 overthrow of the Government of the United States by force
9 or violence and accepts employment the salary or wages
10 for which are paid from any appropriation or fund contained
11 in this or any other Act shall be guilty of a felony and,
12 upon conviction, shall be fined not more than \$1,000 or
13 imprisoned for not more than one year, or both: *Provided*
14 *further*, That the above penalty clause shall be in addition to,
15 and not in substitution for, any other provisions of exist-
16 ing law.

17 *SEC. 107.* This Act may be cited as the "Mutual Se-
18 curity Appropriation Act, 1954".

Passed the House of Representatives July 22, 1953.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

JULY 23 (legislative day, JULY 6), 1953
Read twice and referred to the Committee on
Appropriations

JULY 25 (legislative day, JULY 6), 1953
Reported with amendments

late supplies of supported items beyond consumption, have never asked for price supports on their products and have gone on record as being opposed to them at all times. In fact, all they have sought is a realistic, flexible type of support program.

The poultry growers are in effect being penalized twice. They are taxed to enable the Government to keep feed prices at high levels. Then they are taxed again when they buy the feeds at higher prices.

This may well be the last opportunity for the American poultry growers, not only to regain their initiative and voluntary participation in determining the destiny of themselves and their families, but also of survival itself.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LANGER, from the Committee on the Judiciary, without amendment:

S. 303. A bill for the relief of Felix S. Schorr and his wife, Lilly Elizabeth Schorr (Rept. No. 656);

S. 308. A bill for the relief of Filolaos Tsoulakis and his wife, Vassiliki Tsoulakis (Rept. No. 657);

S. 506. A bill for the relief of Horst F. W. Dittmar and Heinz-Erik Dittmar (Rept. No. 658);

S. 743. A bill for the relief of George P. Khouri (Rept. No. 659);

S. 1038. A bill for the relief of Silva Galjevsek (Rept. No. 660);

H. R. 786. A bill for the relief of Yusuf (Uash) Lazar (Rept. No. 661);

H. R. 960. A bill for the relief of Charles H. Lin (also known as Lin Chao Hsi (Rept. No. 662);

H. R. 1695. A bill for the relief of Irene Proios (nee Vagianos) (Rept. No. 663);

H. R. 1754. A bill for the relief of Dr. Manousos A. Petrolhelos (Rept. No. 664);

H. R. 2187. A bill for the relief of Chiyoko Miki Tomono (Rept. No. 665);

H. R. 2413. A bill for the relief of Matsue Hashimoto (Rept. No. 666);

H. R. 2603. A bill for the relief of Carmela Daino Davenia (Rept. No. 667);

H. R. 2604. A bill for the relief of Lauri Allan Tornl (Rept. No. 668);

H. R. 3831. A bill for the relief of Panagiotis G. Karras (Rept. No. 669);

H. R. 4424. A bill for the relief of Eleonore Friedrich McAnelly (Rept. No. 670); and

H. R. 4833. A bill for the relief of Hormoz Mahmoud (Rept. No. 671).

By Mr. LANGER, from the Committee on the Judiciary, with an amendment:

S. 171. A bill for the relief of Mrs. Irma Benj: min (Rept. No. 647);

S. 179. A bill for the relief of Insun Lee (Rept. No. 648);

S. 1050. A bill for the relief of Josephine Maria Riss Fang (Rept. No. 649);

S. 1954. A bill for the relief of Anthony N. Goraieb (Rept. No. 650);

S. 1969. A bill for the relief of Vaida Cimermanis (Rept. No. 651); and

H. R. 3396. A bill for the relief of Dr. Hamdi Akar (Rept. No. 652).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

S. 354. A bill for the relief of Inger Larson (Rept. No. 654); and

H. Con. Res. 110. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens (Rept. No. 655).

By Mr. BRIDGES, from the Committee on Appropriations, with amendments:

H. R. 6200. A bill making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes (Rept. No. 677).

By Mr. BRIDGES, from the Committee on Appropriations, with an amendment:

H. J. Res. 305. Joint resolution making additional appropriations for the Department of Agriculture for the fiscal year 1954, and for other purposes (Rept. No. 646).

By Mr. SALTONSTALL, from the Committee on Armed Services, with amendments:

H. R. 5304. A bill to permit members of the uniformed services to elect certain contingency options, and for other purposes (Rept. No. 672).

By Mr. KEFAUVER, from the Committee on Armed Services, without amendment:

H. R. 6039. A bill to amend section 47c of the National Defense Act (Rept. No. 673).

By Mr. MILLIKIN, from the Committee on Finance, without amendment:

H. R. 5256. A bill to amend the Internal Revenue Code with respect to the retirement of judges of the Tax Court of the United States (Rept. No. 675);

H. R. 5257. A bill to extend to the Trust Territory of the Pacific Islands certain provisions of the Internal Revenue Code relating to narcotics (Rept. No. 678); and

H. R. 5561. A bill to amend the Internal Revenue Code and the Narcotic Drugs Import and Export Act so as to provide that certain drugs which are or may be chemically synthesized shall be included within the classification of narcotic drugs (Rept. No. 676).

INTERIM REPORT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE RELATING TO WATERFRONT INVESTIGATION, NEW YORK-NEW JERSEY (S. REPT. 653)

Mr. CAPEHART. Mr. President, from the Committee on Interstate and Foreign Commerce I submit, pursuant to Senate Resolution 41, covering a subcommittee investigation of the New York-New Jersey waterfront, an interim report.

The report was prepared by our late admired and respected colleague from New Hampshire [Mr. Tobey], who served with great distinction as the chairman of the Subcommittee on Waterfront Racketeering and Port Security.

The VICE PRESIDENT. The report will be received and printed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 2478. A bill to provide that the reorganization of wholly intrastate railroads in certain cases shall not be subject to section 77 of the Bankruptcy Act but shall come within the provisions of chapter 10 and of section 178 of such act; to the Committee on the Judiciary.

S. 2479. A bill to amend section 13 of the Interstate Commerce Act so as to exclude certain intrastate passenger fares from the jurisdiction of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. IVES when he introduced the above bills, which appear under a separate heading.)

Mr. SMATHERS. I introduce for appropriate reference a bill providing for the placing of a statue in Statuary Hall, the same as the States do.

The VICE PRESIDENT. The bill will be received and appropriately referred.

By Mr. SMATHERS:

S. 2480. A bill to amend section 1814 of the Revised Statutes of the United States so

as to include the Commonwealth of Puerto Rico; to the Committee on Rules and Administration.

By Mr. SMATHERS (for Mr. MAYBANK):

S. 2481. A bill for the relief of the Columbia Hospital of Richland County, S. C.; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 2482. A bill for the relief of Princess Ileana and her children, Stefan Habsburg, Marie-Ileana, Alexandra, Dominic, Marie-Magdalena, and Elisabeth; to the Committee on the Judiciary.

By Mr. SALTONSTALL (by request):

S. 2483. A bill for the relief of Sanshiro Shimokochi; and

S. 2484. A bill for the relief of Joao Batista Oliveira; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

S. 2485. A bill for the relief of Mohammad Nemazee, Fakhry Nemazee, Hassan Nemazee, and Susan Nemazee; to the Committee on the Judiciary.

By Mr. BARRETT:

S. 2486. A bill authorizing the Secretary of the Interior to transfer certain property of the United States Government (in the Wyoming National Guard Camp Guernsey Target and Maneuver Area, Platte County, Wyo.) to the State of Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. WILEY:

S. 2487. A bill to amend the International Claims Settlement Act of 1949; to the Committee on Foreign Relations.

By Mr. CASE:

S. 2488. A bill to authorize the issuance of trust patents in lieu of land-use exchange assignments issued on the Cheyenne River Sioux Reservation and the Standing Rock Reservation prior to January 1, 1953; to the Committee on Interior and Insular Affairs.

By Mr. WATKINS:

S. 2489. A bill for the relief of Julius Maar; and

S. 2490. A bill for the relief of Frederick Pisky-Schmidt; to the Committee on the Judiciary.

By Mr. CASE:

S. 2491. A bill to authorize certain construction at military and naval installations, and for the Alaska communication system, and for other purposes; placed on the calendar.

(See the remarks of Mr. CASE when he reported the above bill from the Committee on Armed Services, which appear under a separate heading.)

By Mr. BUTLER of Nebraska:

S. J. Res. 104. Joint resolution defining and delimiting the term "commonwealth" with respect to certain areas other than a State or Territory; to the Committee on Interior and Insular Affairs.

AMENDMENT TO SECTIONS 77 AND 178 OF BANKRUPTCY ACT AND SECTION 13 OF INTERSTATE COMMERCE ACT

Mr. IVES. Mr. President, I introduce for appropriate reference two bills, the first of which would amend section 77 and section 178 of the Bankruptcy Act, and the second of which would amend section 13 of the Interstate Commerce Act.

I ask unanimous consent that the two bills be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. The bills will be received and appropriately referred; and, without objection, will be printed in the RECORD.

The bills introduced by Mr. IVES, were received, read twice by their titles, ap-

appropriately referred, and ordered to be printed in the RECORD, as follows:

S. 2478. A bill to provide that the reorganization of wholly intrastate railroads in certain cases shall not be subject to section 77 of the Bankruptcy Act but shall come within the provisions of chapter 10 and of section 178 of such act; to the Committee on the Judiciary:

"Be it enacted, etc., That section 77 (m) of the Bankruptcy Act, as amended, is hereby amended to read as follows:

"(m) The term 'railroad corporation' as used in this section means any common carrier by railroad engaged in the transportation of persons or property in interstate commerce, except a railroad lying wholly within one State which is subject to the jurisdiction of the State commission having regulatory jurisdiction over such railroad, and which derives more than 50 percent of its gross revenues from passenger service and derives less than 5 percent of its passenger revenues from the transportation of passengers in interstate commerce and except a street, a suburban, or interurban electric railway which is not operated as a part of a general railroad system of transportation or which does not derive more than 50 percent of its operating revenues from the transportation of freight in standard steam railroad freight equipment. Wherever used in this section the term 'person' shall include an individual, corporation, partnership, association, joint-stock company, unincorporated organization, or a government or political subdivision thereof."

"SEC. 2. Section 178 of the Bankruptcy Act, as amended, is hereby amended to read as follows:

"In case a debtor is either a public utility corporation, wholly intrastate, or a railroad corporation lying wholly within one State, which derives more than 50 percent of its gross revenues from passenger service and derives less than 5 percent of its passenger revenues from the transportation of passengers in interstate commerce, and is subject to the jurisdiction of the State commission having regulatory jurisdiction over such debtor, a plan shall not be approved, as provided in section 174 of this title, unless such State commission shall have first certified its approval of such plan as to the public interest therein and the fairness thereof. Upon its failure to certify its approval or disapproval within 30 days, or such further time as the court may prescribe, after the submission of the plan to it, as provided in section 177 of this title, the public interest shall, for the purposes of such approval and of the confirmation of the plan, not be deemed to be affected by the plan."

"SEC. 3. This act shall take effect immediately and any proceeding pending under section 77 of this title affected by this act shall be dismissed, and the judge shall allow the reasonable costs and expenses incurred prior to such dismissal and shall make appropriate provision for the retransfer of such property to the person or persons entitled thereto upon such terms as may be equitable for the protection of the obligations incurred in the proceedings under section 77 by the trustee or debtor in possession and for the payment of the costs and expenses of the proceedings."

S. 2479. A bill to amend section 13 of the Interstate Commerce Act so as to exclude certain intrastate passenger fares from the jurisdiction of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce:

"Be it enacted, etc., That subdivision (4) of section 13 of the Interstate Commerce Act, as amended, is hereby amended by adding at the end thereof the following: 'Provided, That the Commission shall have no jurisdiction to investigate or alter any such rate,

fare, charge, classification, regulation, or practice relating to the transportation of passengers by a carrier whose lines are situated entirely within a single State, and which derives more than 50 percent of its gross revenues from passenger service and derives less than 5 percent of its passenger revenues from the transportation of passengers in interstate commerce'."

Mr. IVES. Mr. President, the bills which I have just introduced are designed to, first, eliminate the unnecessary intervention of a Federal agency in the reorganization of a utility, such as the Long Island Railroad, having little Federal importance, but great State importance; second, protect the States from Federal administrative attack upon their fundamental power to tax and their power to regulate utility rates and service; and, third, eliminate from the jurisdiction of the Interstate Commerce Commission the intrastate passenger fares of a railroad such as the Long Island Railroad which has virtually no interstate significance.

The Long Island Railroad is located entirely within the State of New York. It is my understanding that it carries the greatest volume of commuters of any railroad in the world. Ninety-nine and eight-tenths percent of its passenger traffic is intrastate, while only 25 percent of its freight revenue is interstate.

Although the Long Island Railroad is of no great significance to the national railroad network, it is of the utmost importance to the people of the State of New York. The Public Service Commission, created by the laws of New York State, is fully equipped to deal with the problems of rate regulation and reorganization. In fact, it has been regulating the fares of the Long Island Railroad ever since its organization.

FUNERAL EXPENSES OF LATE SENATOR TOBEY

Mr. BRIDGES submitted the following resolution (S. Res. 152), which was referred to the Committee on Rules and Administration:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed to arrange for and attend the funeral of Hon. CHARLES W. TOBEY, late a Senator from the State of New Hampshire, on vouchers to be approved by the chairman of the Committee on Rules and Administration.

ADDITIONAL EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

Mr. BRIDGES submitted the following resolution (S. Res. 153), which was referred to the Committee on Rules and Administration:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the 83d Congress, \$10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, and Senate Resolution 121, agreed to June 24, 1953.

ADDITIONAL EXPENDITURES BY COMMITTEE ON THE JUDICIARY

Mr. LANGER, from the Committee on the Judiciary, reported an original resolution (S. Res. 154), which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on the Judiciary is hereby authorized to expend from the contingent fund of the Senate, during the 83d Congress, \$10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

ISSUANCE OF SPECIAL QUOTA VISAS TO CERTAIN REFUGEES—AMENDMENTS

Mr. WATKINS submitted amendments intended to be proposed by him to the bill (S. 1917) to authorize the issuance of 240,000 special quota immigrant visas to certain escapees, German expellees, and nationals of Italy, Greece, and the Netherlands, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO MUTUAL SECURITY APPROPRIATION BILL

Mr. BRIDGES submitted, on July 25, 1953, the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 11, after line 9, insert the following:

"SEC. 106. Notwithstanding any provision of existing law, the President is hereby authorized to transfer not to exceed 50,000 tons of overage naval vessels to countries receiving assistance under this act, but not to include capital ships, cruisers, or aircraft carriers. When any such transfer is made under the provisions of this section, the Committees on Armed Services of the Senate and House of Representatives shall be notified immediately."

Mr. BRIDGES also submitted an amendment intended to be proposed by him to House bill 6391, making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. BRIDGES submitted, on July 25, 1953, the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 11, after line 9, insert:

"SEC. 108. At least 50 percent of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this act, and transported on ocean vessels (computed separately for dry bulk

carriers and dry cargo liners) shall be transported on United States flag commercial vessels at market rates for United States flag commercial vessels in such manner as will insure a fair and reasonable participation of United States flag commercial vessels in cargoes, by geographic areas."

In accordance with rule XI, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 11, after line 9, insert:

"SEC. 107. No part of the funds appropriated by this act and no part of the foreign currencies or credits arising from the expenditure of such funds (other than currencies allocated for the use of the United States under section 115 (h) of the Economic Cooperation Act of 1948, as amended) shall be used for the provision of housing (either single family, row-house, semi-detached, or apartment) unless (1) such housing shall have been planned and constructed with a view to its ownership by the individual occupants thereof, (2) such housing will be made available to purchasers upon reasonable terms, including a down payment of not less than 10 percent of the purchase price and repayment of the balance within a period not to exceed 20 years, and (3) provision shall have been made, by agreement between the United States and the country involved, for the deposit of amounts received in payment for such housing in a special fund to be used, by such agency or institution as may be designated or established for such purpose, for making loans to finance the acquisition of housing by individuals."

Mr. BRIDGES also submitted an amendment intended to be proposed by him to House bill 6391, making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. BRIDGES submitted, on July 25, 1953, the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 10, line 23 insert the following:

"SEC. 104. Of the funds appropriated by this act, except funds appropriated for assistance under sections 541 and 548 of the Mutual Security Act of 1951, as amended, not less than \$100 million shall be used to carry out the provisions of section 550."

Mr. McCARTHY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 12, between lines 16 and 17, insert the following:

"No part of the funds appropriated by this act shall be used for assistance to any country in excess of the amount which, but for

the provisions of this paragraph, would be expended for assistance to such country, less an amount equal to \$1,000,000 for each cargo which the Director for Mutual Security determines to have been shipped during the period beginning on the date of enactment of this act and ending on the date on which Communist China becomes a party to a final peace agreement in Korea, on a vessel carrying the flag of such country, (A) between a port in the Union of Soviet Socialist Republics or any European country under its domination and a port in Communist China, or (B) between ports within Communist China. Amounts withheld under this paragraph shall not be available for expenditure for assistance to any other country and shall be covered into the general fund of the Treasury."

Mr. McCARTHY also submitted an amendment intended to be proposed by him to House bill 6391, making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCARTHY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 12, between lines 16 and 17, insert the following:

"No part of the funds appropriated by this act shall be used for assistance to any country in excess of the amount which, but for the provisions of this paragraph, would be expended for assistance to such country, less an amount equal to the value, as determined by the Director for Mutual Security, of any goods which the Director determines to have been (A) exported from such country or any colony, possession, or dependent area thereof, directly or indirectly to Communist China during the period beginning on the date of enactment of this act and ending on the date on which Communist China becomes a party to a final peace agreement in Korea. Amounts withheld under this paragraph shall not be available for expenditure for assistance to any other country and shall be covered into the general fund of the Treasury"

Mr. McCARTHY also submitted an amendment intended to be proposed by him to House bill 6391, making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 356. An act to amend the Railroad Retirement Act of 1937, as amended; to the Committee on Labor and Public Welfare.

H. R. 6342. An act to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster Gen-

eral to lease quarters for post-office purposes; and for other purposes; to the Committee on Public Works.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on Foreign Relations:

Raymond A. Hare, of Iowa, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Lebanon;

Ellis O. Briggs, of Maine, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Korea;

Cavendish W. Cannon, of Utah, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Greece, to serve concurrently and without additional compensation as chief of the American mission for aid to Greece;

Avra M. Warren, of Maryland, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Turkey and to serve concurrently and without additional compensation as chief of the American mission for aid to Turkey.

By Mr. LANGER, from the Committee on the Judiciary:

George Riebel Blue, of Louisiana, to be United States attorney for the eastern district of Louisiana.

By Mr. GRISWOLD (for Mr. LANGER), from the Committee on the Judiciary:

Perry William Morton, of Nebraska, to be Assistant Attorney General.

By Mr. FERGUSON (for Mr. LANGER), from the Committee on the Judiciary:

Harry Jennings, of Michigan, to be United States marshal for the western district of Michigan, vice Edwin D. Bolger, retired.

By Mr. MARTIN (for Mr. LANGER), from the Committee on the Judiciary:

J. Julius Levy, of Pennsylvania, to be United States attorney for the middle district of Pennsylvania, vice Arthur A. Maguire, resigned; and

Glenn L. Emmons, of New Mexico, to be Commissioner of Indian Affairs, vice Dillon S. Myer, resigned.

By Mr. CAPEHART (for Mr. LANGER), from the Committee on the Judiciary:

Ray McKinney Amos, of Indiana, to be United States marshal for the northern district of Indiana, vice Eugene J. Pajakowski.

By Mr. MURRAY (for Mr. LANGER), from the Committee on the Judiciary:

Krest Cyr, of Montana, to be United States attorney for the district of Montana, vice Dalton T. Pierson, resigned.

By Mr. SMATHERS (for Mr. LANGER), from the Committee on the Judiciary:

Emerson Ferrell Ridgeway, of Florida, to be United States marshal for the northern district of Florida, vice Edgar W. Scarborough, resigning.

By Mr. BUSH (for Mr. LANGER), from the Committee on the Judiciary:

Simon S. Cohen, of Connecticut, to be United States attorney for the district of Connecticut, vice Adrian W. Maher, resigned.

By Mr. JENNER, from the Committee on the Judiciary:

Jack Chapter Brown, of Indiana, to be United States attorney for the southern district of Indiana, vice Marshall E. Hanley, resigned.

By Mr. McCLELLAN, from the Committee on the Judiciary:

Richard Beal Kidd, of Arkansas, to be United States marshal for the eastern district of Arkansas, vice Noble V. Miller, resigning.

By Mr. BRIDGES (for Mr. LANGER), from the Committee on the Judiciary:

George A. Colbath, of New Hampshire, to be United States marshal for the district of New Hampshire, vice Alphonse Roy, term expiring.

By Mr. CHAVEZ (for Mr. LANGER), from the Committee on the Judiciary:

T. Fitzhugh Wilson, of Louisiana, to be United States attorney for the western district of Louisiana, vice William J. Fleniken, resigning.

By Mr. SALTONSTALL, from the Committee on Armed Services:

Karl T. Compton, of Massachusetts, to be a member of the National Security Training Commission;

Julius Ochs Adler, of New York, to be a member of the National Security Training Commission, vice William L. Clayton, term expired;

Warren Atherton, of California, to be a member of the National Security Training Commission, vice James W. Wadsworth, deceased;

Rear Adm. William K. Phillips, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as a fleet commander;

Maj. Gen. Halley Grey Maddox, and sundry other officers for appointment in the Regular Army of the United States;

Alan J. Gathright, and sundry other persons for appointment in the Regular Air Force;

H. Struve Hensel, of New York, to be General Counsel of the Department of Defense;

Franklin G. Floete, of Iowa, to be Assistant Secretary of Defense; and

Melvin Augustus Casberg, of Missouri, to be Assistant Secretary of Defense.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. SALTONSTALL. Mr. President, as in executive session, from the Committee on Armed Services I report favorably the nominations of new members of the National Security Training Commission and ask that they be placed on the Executive Calendar. They are:

Julius Ochs Adler, of New York, for the term of 5 years, expiring June 19, 1958, vice William L. Clayton, term expired.

Warren Atherton, of California, for the remainder of the term expiring June 19, 1954, vice James W. Wadsworth, deceased.

Karl T. Compton, of Massachusetts (reappointment) for the term of 5 years, expiring June 19, 1958.

In addition, from the Committee on Armed Services, I report favorably, for appointment in the Regular Army of the United States, 8 major generals and 12 brigadier generals, now serving in the grades to which promoted on temporary appointments. Also, a small group of routine nominations in the Air Force in the grade of captain and below, and the appointment of Rear Adm. William K. Phillips, United States Navy, to have the

grade, rank, pay, and allowances of a vice admiral while serving as a fleet commander. I ask that these nominations also be put on the Executive Calendar.

The VICE PRESIDENT. Without objection, the nominations will be received, as in executive session, and placed on the Executive Calendar.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. HOEY:

Address in tribute to the late O. Max Gardner, delivered by Edwin Gill at the dedication of Gardner Hall at North Carolina State College, Raleigh, N. C., on May 6, 1953.

By Mr. SPARKMAN:

Article entitled "Your Stake in the Battle of Chief Joseph Dam," written by A. G. Mezgerik, and published in Sales Management for July 15, 1953.

By Mr. SCHOEPEL:

News bulletin issued by Paul O. Peters under date of July 22, 1953, entitled "The United States Senate Should Act to Close Uncle Sam's International Gift Shop Now and Cut Down the Appropriation for 1954."

By Mr. LANGER:

Statement of John A. Baker, assistant to the president, National Farmers' Union, before Senate Committee on Agriculture and Forestry, on July 16, 1953, regarding a proposal to authorize the President to use American farm products to relieve famine and distress in friendly nations.

Editorial entitled "Armaments Resolution," published in the Lock Haven Express, June 25, 1953.

By Mr. KILGORE:

Letter relating to immunity legislation, from John M. Kernochan, director of the Columbia University legislative drafting research fund.

Statement by American Library Association and American Book Publishers' Council on the subject "Freedom To Read," reprinted in the July 9, 1953, issue of the Machinist.

By Mr. MURRAY:

Various articles setting forth the legislative recommendations of the newspaper Labor, from the July 25, 1953, issue.

By Mr. MONRONEY:

Editorial entitled "A Breath of Fresh Air Blows Into McCarthyland," published in the Atlanta Journal, July 20, 1953.

Editorial entitled "Senate Responsibility," published in the Christian Science Monitor, July 17, 1953.

Editorial entitled "The Safer Way," published in the Meriden (Conn.) Record, July 20, 1953.

Editorial on Senator MONRONEY's "pan mæll," published in the Washington Evening Star of July 18, 1953.

Article entitled "Checks on the Arbitrary Power of Chairman," written by Arthur Krock, published in the New York Times of July 21, 1953.

By Mr. SMATHERS:

Announcement and article regarding sponsorship by the Riverside Presbyterian Church of Jacksonville, Fla., of a new church at Masoy, Norway.

By Mr. BUTLER of Maryland:

Press release by him, and article entitled "Port of Baltimore Praised for Freedom From Rackets," by Robert W. Ruth, published in the Baltimore Sun, July 26, 1953.

Editorial entitled "Star-Spangled Banner Manuscript," published in the Washington Evening Star on July 24, 1953.

By Mr. JOHNSON of Texas:

Letter addressed to him by Mr. Cecil Morris, secretary-treasurer, Gonzales Production Credit Association, of Gonzales, Tex., on the need for drought relief.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 26) favoring the suspension of deportation of certain aliens, which were, on page 8, strike out line 23 and insert "A-2386905, Geldis, Panagiotis or Pete Geldis"; on page 9, strike out line 23; on page 17, strike out line 3 and insert "A-6841554, Carrillo-Duran, Miguel"; on page 20, strike out line 2 and insert "A-8106997, Guerrero-Olvera, Pedro"; on page 28, strike out line 19 and insert "A-9125797, Apostol-escu, Stefan"; on page 31, strike out line 10; on page 31, strike out line 11; on page 32, strike out line 10 and insert "A-4603130, Collop, Mary"; on page 32, strike out line 22 and insert "A-1880159, De Aguilar, Celia Duron"; on page 33, strike out line 1 and insert "A-7060580, Deli, Edmondo"; on page 46, strike out lines 13 and 14; and on page 49, strike out line 16 and insert "A-6701887, Stafford, Andree Cochelin."

Mr. WATKINS. Mr. President, under date of May 6, 1953, the Senate agreed to Senate Concurrent Resolution 26, which expresses congressional approval of the adjustment of status of certain cases of suspension of deportation, pursuant to section 19 (c) of the Immigration Act of 1917.

Under date of July 10, 1953, the House of Representatives amended the concurrent resolution by making certain changes with reference to the spelling of names of certain aliens embraced in the concurrent resolution, and by striking four names which had been withdrawn by the Attorney General.

I move that the Senate concur in the House amendments.

The motion was agreed to.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 33) favoring the suspension of deportation of certain aliens, which were, on page 10, strike out line 2; on page 10, strike out lines 6 and 7 and insert "A-5667730, Koberg, Wilhelm Heinrich or William Henry Koberg"; on page 22, strike out line 17 and insert "A-5870495, Bosnos, Catalina, Cano de"; on page 25, strike out line 3 and insert "A-6823376, Correia, Thereza Clemente y"; on page 34, strike out line 14; on page 35, strike out line 14; on page 37, strike out line 24; and on page 40, strike out lines 1 and 2 and insert "A-1302496, Yorston, Charlotte Elizabeth (nee Estabrook)."

Mr. WATKINS. Mr. President, under date of June 8, 1953, the Senate agreed to Senate Concurrent Resolution 33, which expresses congressional approval of the adjustment of status of certain

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 30, 1953
For actions of July 29, 1953
83rd-1st, No. 143

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HIGHLIGHTS: Senate passed foreign-aid appropriation bill. Senate passed immigration bill. House completed congressional action on drought-relief appropriation bill. House passed famine-relief bill. House completed congressional action on wheat-agreement bill. House Rules Committee cleared public-for-private timber-land exchange bill. House passed bill requiring payment for penalty mail. Rep. Marshall asked adequate farm program.

SENATE

1. FOREIGN-AID APPROPRIATION BILL, 1954. Passed, 69-10, with amendments this bill, H. R. 6391 (pp. 10490, 10492, 10549-50, 10652, 10657-95). Senate conferees were appointed (10695). An amendment by Sen. Maybank, barring funds for purchase of agricultural commodities at less than prevailing market price or, if obtained from CCC, at less than support price, was ruled out of order. Rejected various amendments to reduce the amounts.
2. IMMIGRATION. Passed, 63-30, with amendments H. R. 6481, to permit immigration of refugees, etc. (pp. 10496-513). Senate and House conferees were appointed (pp. 10512, 10622-3).
3. DEFENSE APPROPRIATION BILL, 1954. Both Houses agreed to the conference report on this bill, H. R. 5969 (pp. 10514-19, 10556-64). This bill will now be sent to the President.
4. LEGISLATIVE-JUDICIARY APPROPRIATION BILL, 1954. Passed with amendments this bill, H. R. 5805 (pp. 10543-9). The House concurred in the Senate amendments (pp. 10623-4). This bill will now be sent to the President.
5. SMALL BUSINESS. Agreed to the conference report on H. R. 5141, to create a Small

- Business Administration (p. 10520). This bill will now be sent to the President.
6. COMMITTEE ASSIGNMENT. Sen. Bricker was named Chairman of the Committee on Interstate and Foreign Commerce (p. D800).
 7. RUBBER. Rejected the conference report on H. R. 5728, to provide for sale of Government rubber-producing facilities. Conferees were appointed for a further conference. (pp. 10550-4.)
 8. TRANSPORTATION. Sen. Aiken inserted a resolution of the Agriculture and Forestry Committee requesting the Interstate Commerce Commission to defer its order on trip leasing until action on H. R. 3203 is completed (pp. 10478-9). Sen. Johnson, Colo., inserted an ICC statement on the effects of its order (p. 10696).
 9. DEBT LIMIT. Several Senators discussed the possibility of a request for legislation to increase the public-debt limit (pp. 10533-6).
 10. FAMILY-SIZE FARMS. Sen. Humphrey spoke in favor of maintaining family-size farms and expressed a doubt as to whether the Administration is working toward this end (pp. 10521-3).
 11. SURPLUS PROPERTY. The Government Operations Committee reported without amendment H. R. 6382, to extend until June 30, 1954, the period during which GSA may conduct negotiated sales of surplus property (S. Rept. 711)(p. 10479).
 12. FOOD INSPECTION. The Labor and Public Welfare Committee reported with amendment H. R. 5740, to restore Food and Drug Administration authority for factory inspection (S. Rept. 712)(p. 10479).
 13. EDUCATION. The Labor and Public Welfare Committee reported with amendment H. R. 6049 and 6078, authorizing continued aid for school districts in federally affected areas (S. Repts. 713, 714)(p. 10479).
 14. WATER CONSERVATION. Sen. Johnson, Tex., asked for enactment of a water-conservation program for Texas (pp. 10491-2).
 15. ELECTRIFICATION. Sen. Lehman inserted his testimony favoring public development of Niagara power (pp. 10492-5).
 16. LEGISLATIVE PROGRAM. H. R. 6200, the supplemental appropriation bill, was made the unfinished business (p. 10695). Sen. Knowland announced that the calendar will be called Thurs. and Fri. (pp. 10688-9).

HOUSE

17. WHEAT AGREEMENT. Passed without amendment S. J. Res. 97, to implement the new International Wheat Agreement (pp. 10624-5, 10629). This measure will now be sent to the President.
18. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 5731, authorizing the Santa Margarita project, Calif. (p. 10634).
19. PRICE DISCRIMINATION. Rep. Patman inserted his statement before a Judiciary subcommittee favoring his bill, H. R. 5848, prohibiting price **discriminations** in interstate commodity sales which would substantially injure competition (pp. 10625-9).
20. FOUNDATIONS INVESTIGATION. Rep. Philbin spoke favoring H. Res. 217, providing for investigation of certain foundations (pp. 10573-4).

H. R. 6391

JULY 29, 1953

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for Mutual
5 Security for the fiscal year ending June 30, 1954, namely:

6 MUTUAL SECURITY

7 For expenses necessary to enable the President to carry
8 out the provisions of the Mutual Security Act of 1951,
9 Public Law 165, approved October 10, 1951, as amended,
10 as follows:

11 Military assistance, Europe: For assistance authorized

1 by sections 540 and 548 for the purpose of section 101 (a)
 2 (1), ~~(1)\$1,860,000,000 \$1,900,000,000 (2),~~ together with
 3 not to exceed \$1,100,000,000 of the unobligated balances of
 4 appropriations heretofore made for military assistance,
 5 Europe, which balances shall be consolidated with this
 6 appropriation;

7 Military assistance, Near East and Africa: For assist-
 8 ance authorized by sections 540 and 548 for the purpose of
 9 section 201, \$240,000,000; and in addition, for assistance
 10 authorized by section 202 (b), ~~(3)\$50,000,000 \$30,000,-~~
 11 ~~000; (4)~~ together with not to exceed \$250,000,000 of the
 12 unobligated balances of appropriations heretofore made for
 13 military assistance, Near East and Africa, which balances
 14 shall be consolidated with this appropriation;

15 Military and other assistance, Asia and the Pacific: For
 16 assistance authorized by sections 540 and 548 for the pur-
 17 pose of section 301, ~~(5)\$985,000,000 \$1,035,000,000~~
 18 ~~(6),~~ together with not to exceed \$210,000,000 of the un-
 19 obligated balances of appropriations heretofore made for
 20 military and other assistance, Asia and the Pacific, which
 21 balances shall be consolidated with this appropriation
 22 ~~(7),~~ of which there shall be available for assistance to the
 23 Nationalist Government of China on Formosa a sum equal
 24 to not less than 20 per centum in excess of the sums set up

1 in the document entitled, "Mutual Security Program esti-
2 mates, fiscal year 1954";

3 Military assistance, American Republics: For assistance
4 authorized by sections 540 and 548 for the purpose of sec-
5 tion 401, \$15,000,000 (8), together with not to exceed
6 \$30,000,000 of the unobligated balances of appropriations
7 heretofore made for military assistance, American Republics,
8 which balances shall be consolidated with this appropriation;

9 Mutual defense financing, defense support, economic and
10 technical assistance, Europe: For assistance authorized by
11 sections 541 and 548 for the purpose of section 101 (a) (2),
12 (9)\$218,000,000 \$240,000,000 (10), together with the
13 unobligated balances of appropriations heretofore made for
14 assistance to Spain, and not to exceed \$37,500,000 of the
15 unobligated balances of appropriations heretofore made
16 available for aircraft production in Italy;

17 Mutual defense financing, defense support, economic and
18 technical assistance, Formosa and the Associated States of
19 Cambodia, Laos, and Vietnam: For assistance authorized by
20 section 541 for the purpose of section 302 (a), \$84,000,-
21 000 (11), together with not to exceed \$11,000,000 of the
22 unobligated balances of appropriations heretofore made for
23 this purpose, which balances shall be consolidated with this
24 appropriation;

1 Mutual defense financing, manufacturing in France: For
2 assistance authorized by section 102, \$85,000,000;

3 Mutual defense financing, manufacturing in the United
4 Kingdom: For assistance authorized by section 102, \$85,-
5 000,000;

6 Mutual defense financing, for equipment, materials and
7 services for forces in the Associated States of Cambodia,
8 Laos, and Vietnam: For assistance authorized by section
9 304, (12)~~\$400,000,000~~ \$300,000,000;

10 Mutual special weapons planning: For assistance author-
11 ized by section 542, \$50,000,000 (13): *Provided, That none*
12 *of the funds appropriated hereunder shall be used for the*
13 *transfer of special weapons unless the recipient nation has*
14 *agreed to the return of such weapons to the Government of*
15 *the United States when their return is requested by the Presi-*
16 *dent of the United States;*

17 Economic and technical assistance, Near East and Africa:
18 For assistance authorized by section 543 for the purpose of
19 section 203, (14)~~\$24,000,000~~ \$42,743,499;

20 Economic and technical assistance, defense support, Asia
21 and the Pacific, other than Formosa and the Associated
22 States of Cambodia, Laos, and Vietnam: For assistance au-
23 thorized by section 543 for the purpose of section 302 (a),
24 (15)~~\$33,000,000~~ \$61,278,001;

25 Technical assistance, American Republics and non-self-

governing territories of the Western Hemisphere: For assistance authorized by section 543 for the purpose of section 402, ~~(16)~~\$20,000,000; \$24,342,000;

Basic materials development: For assistance authorized by sections 514 and 548, ~~(17)~~\$23,000,000 \$19,000,000;

Special economic assistance, Near East and Africa: For assistance authorized by section 206, ~~(18)~~\$120,000,000 \$164,000,000;

~~(19)~~Palestine refugee program: Not to exceed \$44,063,250 of the unobligated balances of appropriations heretofore made for this purpose are hereby continued available during the fiscal year 1954;

Special economic assistance, India and Pakistan: For assistance authorized by section 302 (b), \$75,000,000;

Movement of migrants: For contributions authorized by section 534, ~~(20)~~\$10,000,000 \$7,500,000;

~~(21)~~Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, \$5,250,000;

Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, \$9,500,000; and, in addition, for the same purpose during the calendar year 1953 authorized by section 404 (b) of the

1 *Act for International Development, as amended by section*
 2 *709 of the Mutual Security Act of 1953, \$4,595,812;*

3 ~~(22)~~Contributions to United Nations International Children's
 4 Emergency Fund: For an additional amount for "Contribu-
 5 tions to United Nations International Children's Emergency
 6 Fund" for the calendar year 1953, \$5,000,000;

7 *International children's welfare work: For contributions*
 8 *during the calendar year 1954 authorized by section 545,*
 9 *\$9,000,000; and, in addition, for contributions during the*
 10 *calendar year 1953 authorized by section 12 of the Mutual*
 11 *Security Act of 1952, \$9,814,333;*

12 Ocean freight, voluntary relief shipments: For payments
 13 authorized by section 535, ~~(23)~~\$1,428,000 \$1,580,166
 14 ~~(24)~~, together with not to exceed \$397,000 of the unobli-
 15 gated balances heretofore appropriated for this purpose,
 16 which balances shall be consolidated with this appropriation;

17 Contributions to United Nations Korean Reconstruction
 18 Agency: For making contributions authorized by section
 19 303 (a), ~~(25)~~\$50,000,000 \$70,300,000.

20 **(26) UNEXPENDED BALANCES**

21 *The unexpended balance under each paragraph of title*
 22 *III, Mutual Security, of the Supplemental Appropriation*
 23 *Act, 1953, shall remain available for its original purposes*
 24 *through June 30, 1954, and shall be consolidated with the*

1 appropriate fiscal year 1954 appropriation made for the same
2 general purpose in this Act.

3 (27) CORPORATION

4 The following corporation is hereby authorized to make
5 such expenditures, within the limits of funds and borrowing
6 authority available to such corporation or agency and in
7 accord with law, and to make such contracts and commitments
8 without regard to fiscal year limitations as provided by sec-
9 tion 104 of the Government Corporation Control Act, as
10 amended, as may be necessary in carrying out the programs
11 set forth in the Budget for the fiscal year 1954 for such
12 corporation:

13 Institute of Inter-American Affairs.

14 GENERAL PROVISIONS

15 (28) SEC. 102. Appropriations in this Act for economic or tech-
16 nical assistance and allocations from any appropriations to the
17 Director for Mutual Security, or the Mutual Security Agency,
18 or the Department of State, shall be available, without limita-
19 tion on any authority conferred by the Mutual Security Act
20 of 1951, as amended, or any Act continued in effect thereby,
21 for rents in the District of Columbia; expenses of attendance
22 at meetings concerned with the purposes of such appropria-
23 tions; employment of aliens, by contract, for services abroad;
24 examination of estimates of appropriations in the field; main-

1 tenance, operation, and hire of aircraft; hire of passenger
2 motor vehicles and, in addition, passenger motor vehicles
3 abroad may be exchanged or sold and replaced by an equal
4 number of such vehicles; transportation of privately owned
5 automobiles; entertainment within the United States (not to
6 exceed \$15,000) ; exchange of funds without regard to section
7 3651 of the Revised Statutes (31 U. S. C. 543) ; loss by
8 exchange; expenditures (not to exceed \$50,000) of a
9 confidential character other than entertainment, provided
10 that a certificate of the amount of each such expenditure, the
11 nature of which it is considered inadvisable to specify, shall
12 be made by the Director or Deputy Director of Mutual
13 Security, and every such certificate shall be deemed a suffi-
14 cient voucher for the amount therein specified; insurance of
15 official motor vehicles in foreign countries; rental of quarters
16 outside the continental limits of the United States to house
17 employees of the United States Government (without regard
18 to section 322 of the Act of June 30, 1932, as amended
19 (40 U. S. C. 278a)), lease, necessary repairs and alterations
20 to quarters; actual expenses of preparing and transporting to
21 their former homes in the United States or elsewhere the
22 remains of persons or members of the families of persons
23 who may die while such persons are away from their homes
24 participating in activities under the Mutual Security Act of
25 1951, as amended; purchase of uniforms; ice and drinking

1 water for use abroad; and services of commissioned officers of
2 the Public Health Service and of the Coast and Geodetic
3 Survey, and for the purposes of providing such services
4 the Public Health Service may appoint not to exceed twenty
5 officers in the Regular Corps to grades above that of senior
6 assistant, but not above that of director, as otherwise au-
7 thorized in accordance with section 711 of the Act of July 1,
8 1944, as amended (42 U. S. C. 211a), and the Coast and
9 Geodetic Survey may appoint for such purposes not to exceed
10 twenty commissioned officers in addition to those otherwise
11 authorized: *Provided*, That not to exceed \$57,500,000 shall
12 be available for administrative expenses of the departments
13 and agencies concerned with the administration of the pro-
14 grams provided for herein, and no part of such amount shall
15 be used to pay the salary of any civilian employee at a rate
16 greater than that paid by the State Department for compara-
17 ble work or services in the same area: *Provided further*,
18 That none of the funds provided herein shall be used after
19 September 30, 1953, to pay any employee a basic salary of
20 \$12,000 or more per annum, except that this prohibition
21 shall not apply to two-thirds of the number of employees
22 being paid at the basic salary of \$12,000 or more per annum
23 on June 30, 1953: *Provided further*, That appropriations
24 made under this Act shall be available for expenses in connec-

tion with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year **(29)**: *Provided further*, That no part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

(30) *SEC. 103. That not more than 50 per centum of moneys allocated in this Act for shipbuilding shall be expended outside the continental limits of the United States.*

(31) *SEC. 104. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the*

1 *Senate and House of Representatives at least twice annually.*

2 **(32)***SEC. 105. Of the funds appropriated by this Act, except*
3 *funds appropriated for assistance under sections 541 and*
4 *548 of the Mutual Security Act of 1951, as amended, not*
5 *less than \$100,000,000 shall be used to carry out the pro-*
6 *visions of section 550.*

7 **(33)***SEC. 106. None of the funds provided by this Act nor*
8 *any of the counterpart funds generated as a result of assist-*
9 *ance under this Act may be used to balance the budgets or to*
10 *make payments on the debts of any country nor shall any of*
11 *these funds be expended for any purpose for which funds*
12 *have been withdrawn by any recipient country to make*
13 *payments on their debts: Provided further, That after Sep-*
14 *tember 1, 1953, none of the funds herein appropriated shall*
15 *be used to make up any deficit to the European Payments*
16 *Union for any nation of which a dependent area fails to*
17 *comply with any treaty to which the United States and such*
18 *dependent area are parties nor shall any of the counterpart*
19 *funds generated as a result of assistance under this Act be*
20 *made available to such nation.*

21 **(34)***SEC. 107. At least 50 per centum of the gross tonnage*
22 *of any equipment, materials, or commodities made available*
23 *under the provisions of this Act, and transported on ocean*
24 *vessels (computed separately for dry bulk carriers and dry*
25 *cargo liners) shall be transported on United States flag*

1 *commercial vessels at market rates for United States flag*
2 *commercial vessels in such manner as will insure a fair and*
3 *reasonable participation of United States flag commercial*
4 *vessels in cargoes by geographic areas.*

5 (35) SEC. 108. No part of any appropriation contained in this
6 Act shall be used to pay the salary or wages of any person
7 who engages in a strike against the Government of the United
8 States or who is a member of an organization of Govern-
9 ment employees that asserts the right to strike against the
10 Government of the United States, or who advocates, or is
11 a member of an organization that advocates, the overthrow
12 of the Government of the United States by force or violence:
13 *Provided*, That for the purposes hereof an affidavit shall be
14 considered prima facie evidence that the person making
15 the affidavit has not contrary to the provisions of this para-
16 graph engaged in a strike against the Government of the
17 United States, is not a member of an organization of Govern-
18 ment employees that asserts the right to strike against the
19 Government of the United States, or that such person does
20 not advocate, and is not a member of an organization that
21 advocates, the overthrow of the Government of the United
22 States by force or violence: *Provided further*, That any
23 person who engages in a strike against the Government of
24 the United States or who is a member of an organization of
25 Government employees that asserts the right to strike against

1 the Government of the United States, or who advocates, or
2 who is a member of an organization that advocates, the
3 overthrow of the Government of the United States by force
4 or violence and accepts employment the salary or wages
5 for which are paid from any appropriation or fund contained
6 in this or any other Act shall be guilty of a felony and,
7 upon conviction, shall be fined not more than \$1,000 or
8 imprisoned for not more than one year, or both: *Provided*
9 *further*, That the above penalty clause shall be in addition to,
10 and not in substitution for, any other provisions of exist-
11 ing law.

12 (36)SEC. 109. This Act may be cited as the "Mutual Se-
13 curity Appropriation Act, 1954".

Passed the House of Representatives July 22, 1953.

Attest: LYLE O. SNADER,

Clerk.

Passed the Senate with amendments July 29 (legisla-
tive day, July 27), 1953.

Attest: J. MARK TRICE,

Secretary.

83^d CONGRESS
1ST SESSION

H. R. 6391

AN ACT

Making appropriations for Mutual Security for
the fiscal year ending June 30, 1954, and for
other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1953

Ordered to be printed with the amendments of the
Senate numbered

the Orient and Middle East whose money has always been silver. They distrust paper money, and demand "hard money." Gold, because of its higher value, cannot be minted in denominations small enough to fit their economy. Therefore, silver, realistically priced and its stability guaranteed by the United States Treasury, as in the case of gold, so that it can be converted into gold at a fixed and proper ratio, offers the only practical solution of their basic monetary problem.

The wicked manipulation of the price of silver by European nations since 1873 and their attendant exploitation of the countries of the Near East and Far East is largely responsible for most of the unrest and poverty in that vast area; and it is futile to look for peace there until this situation is corrected.

It is stupid and hypocritical to pour billions of dollars of the American taxpayers' money into these so-called backward areas while acquiescing in a monetary system which exploits and impoverishes them. Help them to establish a sound monetary system and they will develop a sound economy of their own. Nor should we overlook the fact that North and South America produce 75 percent of the world's silver, and that nothing would so strengthen the bonds of friendship between us and our American neighbors as the remonetization of silver on an international basis.

When we were on a bimetallic standard we carried our commerce to the seven seas; expanded our tiny Republic of thirteen Colonies along the Atlantic seaboard into a mighty nation, extending from the Atlantic Ocean to the Pacific Ocean, and from the Great Lakes to the Gulf of Mexico, adding the Louisiana Purchase, Oregon Territory, Texas, Arizona, New Mexico, California, and Alaska; built most of our railroads, settled the great West, and started the industrial development that has made us the envy of the world. Yes, we did pretty well with that kind of money.

I am today introducing a sound money bill and trust this action on my part will inspire others to submit proposals for monetary legislation to the end that full and complete hearings on this all-important subject soon may be held by the Senate Banking and Currency Committee and a conclusion reached to reestablish a currency system fashioned after the bimetallic concept of the First Coinage Act approved by President George Washington on April 2, 1792, and designed to serve as a pattern for the other free nations committed to the restoration of international trade on a stable basis and to peace throughout the world.

TEMPORARY ASSISTANCE TO VILLAGE OF GREENDALE, WIS.

Mr. McCARTHY. Mr. President, I introduce for appropriate reference, a joint resolution to provide that the Public Housing Commissioner shall assist the village of Greendale, Wis., recently sold by the Federal Government, in defraying its operating expenses during the temporary period in which it cannot lawfully raise its own adequate revenues. I ask unanimous consent that a letter have received from John M. Kuglitsch, village manager of Greendale, Wis., be printed in the RECORD.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The joint resolution (S. J. Res. 105) to provide that the Public Housing Commissioner shall assist the village of Greendale, Wis., recently sold by the Federal Government, in defraying its

operating expenses during the temporary period in which it cannot lawfully raise its own adequate revenues, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The letter presented by Mr. McCARTHY is as follows:

STATE OF WISCONSIN,
VILLAGE OF GREENDALE,
July 20, 1953.

Hon. JOSEPH McCARTHY,
United States Senate,
Washington, D. C.

DEAR SENATOR McCARTHY: I have been instructed by the Village Board of Trustees to contact you relative to introduction of legislation to provide financial assistance to the village of Greendale.

A similar request has been made of Congressman ZABLOCKI and he has introduced bnl (H. J. Res. 202), which is presently before the House Committee on Banking and Currency. It is hopeful that a hearing will be held on this bill before Congress adjourns. A copy of this bill is enclosed for your information.

We base our request on the following facts: The Federal Government has sold all improved properties to private individuals after May 1, 1952, the legal assessment date for the State of Wisconsin, thereby creating a 1-year period whereby no assessments could be made on these properties and no taxes for 1953 could be collected. The Government still holds title to vacant land and commercial buildings in the village and agrees to make 1953 payment in lieu of tax payments for 1953.

The Federal Government, who because they held the properties as of May 1, 1952, should be responsible for payment in lieu of tax payments on properties they sold. However, Public Housing Administration officials state that their agency is set up in the Bankhead-Black Act under which PHA had made previous payments to the village for services rendered. Therefore, the only way payments could be made by PHA to the village would be through a special bill approved by Congress.

The village has borrowed moneys for 1953 operations but if a long term loan cannot be negotiated it will mean another obstacle to the tentative new owners in the development of the properties they plan on purchasing from the Federal Government.

May we have your cooperation in regard to this matter soon. Thank you.

Sincerely yours,

JOHN M. KUGLITSCH,
Village Manager.

READJUSTMENT OF POSTAL RATES—AMENDMENT

Mr. FREAR submitted an amendment intended to be proposed by him to the bill (H. R. 6052) to readjust postal rates, and for other purposes, which was referred to the Committee on Post Office and Civil Service, and ordered to be printed.

MUTUAL SECURITY APPROPRIATIONS, 1954—AMENDMENT

Mr. MAYBANK. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

The amendment, if adopted, would protect American producers of agricultural products against the danger of a dual-price system on products handled

through Mutual Security Agency. It would also prevent the purchase of agricultural products in this country at less than the prevailing market price. If agricultural products were obtained from the Commodity Credit Corporation stocks, they could not be disposed of for less than the support price including handling and storage costs.

In other words, the amendment which I propose would prevent the imposition of a subsidy upon a subsidy. The agricultural products in question are purchased with the taxpayers' dollars. Therefore, it would be highly unfair to force our producers of agricultural products to compete with Government sales of subsidized products.

Last but not least, many foreign countries are delaying the purchase of American agricultural products with the hope that such products will eventually be subsidized.

The VICE PRESIDENT. The amendment will be received and printed, and will lie on the table.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred to the Committee on Finance:

H. R. 2062. An act to permit the coordination of the Wisconsin retirement fund with the Federal old-age and survivors' insurance system;

H. R. 4151. An act to provide wage credits under title II of the Social Security Act for military service before July 1, 1955, and to extend the time for filing application for lump-sum death payments under such title with respect to the death of certain individuals dying in the service who are rein-terred;

H. R. 4927. An act to amend the Internal Revenue Code so as to liberalize the provisions governing the types of checks and money orders which may be received in payment of internal revenue taxes;

H. R. 4980. An act to amend section 3250 (1) (5) of the Internal Revenue Code to provide that a person entitled to drawback with respect to certain nonbeverage products may elect to receive such drawback on a monthly instead of a quarterly basis;

H. R. 6402. An act to provide for abatement of jeopardy assessments when jeopardy does not exist; and

H. R. 6440. An act to amend section 345 of the Revenue Act of 1951.

MRS. DOROTHY J. WILLIAMS, WIDOW OF MELVIN EDWARD WILLIAMS—CHANGE OF REFERENCE

Mr. SALTONSTALL. Mr. President, on July 27, 1953, the bill (H. R. 5093) for the relief of Mrs. Dorothy J. Williams, widow of Melvin Edward Williams, passed the House and was referred to the Senate Committee on the Judiciary. I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of the Senate companion bill, S. 1844, and that it be referred to the Committee on the Judiciary, as being more properly within the jurisdiction of that committee.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

shall be minted in denominations of \$1 and \$2.50, and gold coins with a bullion content equal in value to their face value shall be minted in denominations of \$10, \$20, and \$50.

Silver subsidiary coins of 0.900 fineness with a bullion content equal in value to their face value shall be minted in such denominations as may be determined by the Secretary of the Treasury to meet the needs of domestic commerce, and may be exchanged at face value, in unlimited amounts, for gold or silver coins or for other currency redeemable in gold.

Minor coins minted after the passage of this act, in which the metallic content is worth less than the face value of said coins, may be exchanged at face value, in amounts not exceeding \$10, for gold or silver coins, or for other currency redeemable in gold or silver coins.

All silver coins now in circulation shall be withdrawn from circulation with reasonable diligence and delivered to the United States Mint for which payment at their face value will be made in lawful money of the United States; and it shall be unlawful for private citizens or corporations to reduce silver coins now in circulation for their bullion content or to cause or permit them to be transported to foreign countries except as may be prescribed by Congress.

The Secretary of the Treasury and the Director of the Mint are authorized and directed to restore the free coinage of gold and silver mined or refined in the United States, eliminating all seigniorage except the actual cost of the customary minting and handling charges.

The statement by Senator McCARRAN is as follows:

STATEMENT BY SENATOR McCARRAN

SOUND MONEY IS FIRST REQUISITE FOR WORLD PEACE AND ECONOMIC STABILITY

World peace, economic stability, national security, and the survival of constitutional government are all dependent upon a sound, honest, and efficient monetary system. Money is sound, honest, and dependable only when backed by and redeemable in gold or silver of universally recognized and accepted values.

Gold and silver are the only precious metals that have ever been universally recognized and readily accepted in exchange for goods and services, for the redemption of paper currencies, and in the settlement of international balances.

Since the free coinage of silver was discontinued in 1873, the panics and depressions of 1873 to 1877, 1893 to 1896, 1907, 1920, and 1929, and the abandonment of gold redemption in 1934, have proven conclusively that there has not been enough gold in the world to provide monetary reserves adequate to maintain the stabilization of currencies in circulation, and to guaranty their redemption at face value, on demand.

In order to establish a sound, honest, and dependable monetary system and provide adequate redeemable monetary reserves, silver must be combined with gold, at a fixed and proper ratio, in a return to bimetallism, which experience over centuries has proven to be the most acceptable monetary system ever known and understood throughout the world and constructed to meet the needs of the global economy of the twentieth century for the benefit of all peoples everywhere.

Common sense dictates that the way to prevent war and inflation is to eliminate the causes. Every war is, in essence, an economic war; and the contributing causes to wars and depressions, booms and busts, inflation and deflation are unsound monetary and fiscal policies of governments.

It should be apparent to everyone that sound money is the first requisite of a sound economy.

It becomes increasingly evident that there can be neither peace nor economic stability, here or elsewhere, until we adopt a sound monetary policy and restore redeemability to our currency.

From time immemorial, dictators about to indulge in a spending spree have denied their peoples the right of redemption of their currency. So long as the people enjoy this right they have an effective brake against government waste and extravagance. But, relieved of the responsibility of redeeming the currency, governments can put printing presses to work turning out bales of fiat money, which has never failed to depreciate in value and to invite disaster.

Since the American people were denied the right of redemption in gold in 1934, the dollar and all fixed-dollar-value securities, including savings, pensions, and life insurance, have lost more than 60 percent of their value, so that today our dollar has a purchasing power equivalent to about 40 cents 20 years ago. This has worked a terrible hardship on millions of our people, particularly those who have reached the age of retirement and must live on fixed incomes which normally would support them in comfort.

Money is the measure of the value of all goods and services. Unless that measure is honest, constant, and stable in purchasing power, millions of people will be cheated in the sale of their goods and services, while others will profit unjustly. Of such injustices are wars and depressions made.

The revolts in Asia and the Middle East, the discontent in Central and South America, and the chaos and confusion in Europe and Africa can be attributed largely to the debauching and manipulating of irredeemable currencies forced on their peoples.

WHAT HAS HAPPENED TO OUR MONEY?

The American people are growing more insistent that they be told what has happened to their money; and it behooves us to supply the answer and provide a remedy.

Prior to 1934, the gold content of our dollar was fixed at 23.22 grains of pure gold. This was the amount of gold you could receive for every dollar of paper currency presented at any Federal Reserve Bank, which gave to an ounce of gold a value of \$20.67.

To insure redemption of our currency in gold, the Treasury and the Federal Reserve System were required to maintain a gold reserve of not less than 40 percent of all currency in circulation. History reveals that whenever the monetary reserves of any nation fell below 40 percent their currency tended to depreciate.

Two ways were open to the administration to depreciate the value of the dollar—decrease the gold content of the dollar as was done in 1934, thereby reducing the value of the dollar in exchange for foreign currencies, or lower the monetary reserves as was authorized in 1945, thus encouraging domestic overissue of paper currency.

In 1934 when the gold content of the dollar was reduced from 23.22 grains to 13.71 grains of pure gold, or 41 percent, we were given a 59-cent dollar. Since there are 480 grains in a troy ounce, simple arithmetic shows that this caused an advance in the price of gold from \$20.67 to \$35 per ounce. But we were in a depression in 1934, and there followed a considerable time lag before commodity prices caught up with the depreciated bullion content of the dollar.

In 1945, however, the situation was entirely reversed. There was an acute shortage of goods and a surplus of paper money; and the only possible excuse for depreciating the dollar at that time was the wartime emergency and Congress enacted legislation permitting the lowering of gold reserves from 40 percent to 25 percent.

This legislation contributed to and aggravated the vicious cycle of skyrocketing prices,

the resultant demand for higher wages, and the strikes of 1946. Yet most people thought the elimination of price controls was responsible for the advance in prices, and accused the farmers and businessmen of profiteering.

But probably the most disastrous threat to our economy, because of this legislation, is the fact that the price of gold was not adjusted to the further depreciated dollar. A 37 percent depreciation of the dollar due to reduced reserves required against currency and Reserve Bank deposits would reduce the pure gold content of the dollar from 13.71 grains, where it was fixed in 1934, to 8.57 grains; and again simple arithmetic shows that the price of gold should have been advanced to \$56 per ounce.

CAUSE OF 1929 DEPRESSION

When European bank reserves in 1929 were permitted to fall from 40 percent to 21 percent, their currencies depreciated in proportion. In a desperate effort to rebuild their reserves, they disposed of everything that could be converted into gold. They dumped their American stocks and bonds on the market and broke our market.

In 1919 the world price of silver reached an alltime high of \$1.38-plus an ounce. In 1920 Great Britain withdrew its silver coins from circulation, melted them down and reduced their content from 0.925 to 0.500 fineness, and dumped the redundant silver on the Shanghai market, thereby causing the price to drop almost 50 percent in 1 year. In order to dispose of the large quantity of silver with which the Shanghai market was flooded some of the silver was sold at public auction. The resultant downward trend in the price of silver continued until 1932 when it reached an alltime low of 24½ cents an ounce. The depressed price of silver wiped out 60 percent of the purchasing power of three-fifths of the world's population in the Orient and Middle East, whose money has always been silver. You simply cannot destroy the purchasing power of over half the people in the world without precipitating a worldwide depression.

The effect on our economy was immediate. Prior to the drop in the price of silver, our Northwest was sending huge cargoes of wheat, flour, and lumber to the Orient. This business ceased almost over night. Wheat rotted at the docks; and the price of wheat dropped with the price of silver to 26 cents per bushel. England, then largest buyer of American cotton, stopped buying because their principal market for cotton cloth was the Orient and that market was destroyed. The great depression was on and dragged along for 9 years because nothing was done to eliminate the causes.

It was only war and the production for war that brought back full employment; and unless we propose to live perpetually in a war economy we must eliminate the causes of wars and depressions.

Some economists urge an immediate return to the single gold standard. But we were on the single gold standard in 1929, and that neither prevented a depression nor provided a remedy.

The United States Bureau of the Mint places the total world production of gold since the discovery of America in 1492 up to the present time at approximately 1¼ billion ounces. Losses and industrial uses have reduced the amount available for monetary purposes to a little more than 1 billion ounces which, at \$35 per ounce, is a total of only \$36½ billion exclusive of the U. S. S. R. That amount is insufficient to supply the entire world with adequate redeemable monetary reserves.

WHAT ABOUT THE ORIENT?

In considering the establishment of a sound monetary system, we must not ignore the monetary requirements of those three-fifths of the world's population residing in

than for my State, yet I have 17 times as many people to serve.

It is not buildings, coastlines, and trees that make work for the Senator. It is people—articulate and expressive people who write to their Senators and Representatives. Frankly, I think it is presumptuous on the part of any Senator to tell any other Senator what he needs in his office. I do not want any other Senator to tell me what I need. I am willing to write into this appropriation bill the name of every State and the name of every Senator, together with his estimate of what he needs, and stand by it. I think we are remiss in our duty to the people back home when we do not ask for the tools with which to do our job.

The bill before us provides one additional clerk for every Senator. It provides 2 additional clerks for Senators from States with a population between 3 million and 5 million. It provides 3 additional clerks for Senators from States with populations of more than 5 million. That would include New York, Illinois, Pennsylvania, and Texas, among others.

If anyone is interested in knowing what this sort of thing costs, he should ask the distinguished Senator from New York [Mr. LEHMAN] what it costs him out of his pocket every year for clerical hire to keep his office going. He comes from a State with a very large population. It is not fair to ask a Senator to bear the cost himself. So I trust that no effort will be made to strike out this provision. I shall resist such an effort as best I can.

I know the needs of my office. The suggestion has been made that we ought to have a pool. How can we integrate the people in a pool with our office organizations? How can a Senator integrate anyone in a pool with an organization in which there is a manager, and an office which is operating in a basement room, an upstairs office, and still another suite? It cannot be done successfully.

This provision is the least we can do. If it were left to the junior Senator from Illinois, I would vote myself 5 or 6 extra clerks to carry the load. It is an unhappy experience to have clerks come to one's desk weeping and complaining that they cannot get along on the salaries they are paid. I have found it necessary to employ clerks who live in Maryland and Virginia, because persons in my own State cannot afford to pay traveling expenses from Illinois and back in order to do the job. That is an unfair inhibition upon my office. I intend to protest as emphatically and loudly as I can. Anyone who denies me the necessary help simply says to 8,900,000 people in the sovereign State of Illinois, "We will prevent your Senator from having the tools with which to do his job."

I say very modestly that I have worked on the job and I do the best I know how. I have sweated the kids in the office. I have bought them portable typewriters so they can work at home on Sunday. It is a shame, Mr. President, when in the same breath we will vote hundreds of millions of dollars for sinecures in plush

and cushy jobs at fancy pay in every other branch of the Government.

Are we so timid and so lacking in courage not to say to the people of the country, "This is what we need in order to do the job"? I assert it whenever I have the opportunity to do so.

Mr. MALONE. Mr. President, I can congratulate the Senator from Illinois on his statement. I believe he is exactly right. Earlier today the distinguished senior Senator from Virginia [Mr. BYRD], in an impassioned plea asked us not to allow the debt limit to be raised. Yet Senators have been voting for huge appropriations, without knowing where the appropriations go. They have no way of analyzing the appropriations that went to Europe. Apparently they care little about it. How can a Senator find out without research assistance? What does a research man cost? If he is a good one and capable of going into these questions, he costs anywhere from nine to eleven thousand dollars. We do not have that much money.

Mr. DIRKSEN. Mr. President, let me say one word about the debt limit. I have the solution to the situation right here. I will join any Member of the Senate in giving the President of the United States the power to review the revenues and to review the expenditures, and if we are to go over the debt limit, let him reduce them.

Several Senators addressed the Chair.

Mr. MUNDT. Mr. President, I decline to yield further for a general discussion. I should like to keep the discussion on the subject before the Senate.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WILLIAMS. I should like to reply to the Senator from Illinois. I believe he is wrong in his understanding of what I have in mind. I am not against giving the allowance to the State of Illinois or to other States, like Pennsylvania, and New York. I said they should have an extra allowance. I have conferred with them and I know what their problem is. I know there is no comparison between the amount of mail they get and the amount of mail that some other Senators get. I would like to join in supporting the increase so far as the larger States are concerned. I do not believe it is necessary so far as the smaller States are concerned, but rather than striking all of it, I would go along with the whole provision, because the smaller States which do not need the extra amount would not have to use it.

Mr. MUNDT. I think the Senator is very fair, and he is encouraging the making of a comprehensive study of the problem of prorating the help required. The Senator has been very constructive.

Mr. WILLIAMS. I recognize the argument which the Senator from Illinois has made. It is unquestionably true that the Senator from Illinois and the Senator from New York and the Senator from Pennsylvania get more mail than some of us from smaller States get. It would be wise to strike out the increases so far as the smaller States are concerned, and I would like to see it done, but I repeat, if it is not done, rather than to

deprive the larger States of their just share, to which they are entitled, I would support the entirement amendment as it is written into the bill. I am certain the larger States do not have an adequate allowance to take care of their mail. Above all we want to be careful that the United States Senate does not become a rich man's club. Likewise no Senator should be required to finance his office expenses out of his personal funds.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. LEHMAN. Mr. President, I wish to say that I agree fully with the remarks made by the distinguished Senator from Illinois. I know the difficulties with which he is confronted, and I know the difficulties of every Senator from a large State. In my own case, I receive perhaps as many as two or three thousand letters a day. I have many people who come to see me. I represent a constituency of 15 million people. I have in my office, spread into 3 rooms on the fourth floor and one down in the subway and one in the Congressional Library, 22 people, 12 of them on the Senate payroll and 10 on my own payroll. If I am given 3 additional assistants, as I hope I will be, it will still mean that 7 people will have to be cared for.

I point out that it is not only the salaries that are involved but it is the many other expenses connected with their services which also have to be paid for, such as travel expenses, telephone, and various other expenses of that sort, which mount up in the course of a year to a very large sum of money. It is only a matter of justice that Senators from the larger States—and I hope Senators from other States who need additional personnel to care for the interest of their constituencies—will be granted the additional allowance.

Mr. MUNDT. Mr. President, unless there are further questions, the chairman of the Legislative Appropriations Subcommittee yields the floor.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5805) was read the third time and passed.

Mr. MUNDT. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MUNDT, Mr. BRIDGES, Mr. SALTONSTALL, Mr. ELLENDER, and Mr. CHAVEZ conferees on the part of the Senate.

MUTUAL SECURITY APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 646, House bill 6391.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6391), which had been reported from the Committee on Appropriations with amendments.

RUBBER-PRODUCING FACILITIES DISPOSAL ACT OF 1953—CONFERENCE REPORT

Mr. CAPEHART. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5728) to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read by the legislative clerk.

(For conference report, see House proceedings of July 27, 1953, p. 10182, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, inviting the attention of the acting minority leader to the report of the conferees on the so-called rubber plant disposal bill, pursuant to instructions from the Republican Policy Committee, as acting majority leader I ask unanimous consent that the Senate disagree to the conference report.

I hope that when a new conference is held, some of the problems which have arisen may be ironed out by the conferees.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MAYBANK. I am pleased that the Senator from California has made his motion. I had a little conference with him and with the chairman of the Committee on Banking and Currency. I believe all the conferees should be instructed to maintain the so-called Maybank amendment, as it was originally written, and also the Long amendment.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. DOUGLAS. I wish to say that the Senator from California has been very wise in moving to recommit the bill to conference. It so happens that I was a member of the conference committee—

Mr. KNOWLAND. I am not moving to recommit the bill. I am moving that the Senate disagree to the conference report. It is a parliamentary situation.

Mr. DOUGLAS. I appreciate that fact. I believe the Senator from California is very wise to do so. The bill as it comes to the Senate floor as a result of conference is very much at variance with the will of the Senate, and it would result in the big four gobbling up the synthetic rubber plants, and in general it would be against the best interests of the people of the United States. This gives us a second chance.

Mr. ROBERTSON. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. ROBERTSON. I merely wish to say that I was one of the conferees, and I did not sign the conference report because the President had specifically asked us in acting on the sale of the rubber plants to draw up a bill which would safeguard the consumers against monopolistic practices. However, the conferees on the part of the House have amended the Senate's provision in such a way as to remove the safeguards the Senate provided.

Therefore, I am glad the acting majority leader has moved that the conference report be rejected, with the result that it will be returned to a further conference, with instructions to our conferees to provide proper safeguards—or, in other words, to retain the safeguarding provisions which have been voted by the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Let me say that I was not on the floor at the time when this matter came up, although that is not the fault of the acting majority leader. Will he please state what the present situation is?

Mr. KNOWLAND. I have asked the Senate not to accept the conference report. As I understand, if the conference report is rejected, there will be a further conference.

Mr. JOHNSON of Texas. Would the acting majority leader be opposed to having the Senate give its conferees instructions? Does not the acting majority leader think that would fortify the position of the Senate in this situation?

Mr. KNOWLAND. I am trying to have an agreement worked out. So I respectfully suggest that I think it would be better if we were merely to reject the conference report. I believe the Senate's position on this matter is quite clear. So I prefer merely to move that the conference report be rejected, and not at this time to include in the motion anything about instructions to the conferees.

Mr. JOHNSON of Texas. Mr. President, will the acting majority leader yield further to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. During the last days of the session I am extremely reluctant to disagree with the acting majority leader. So I shall follow his judgment regarding this matter.

On the other hand, I do not want the conferees to be under any illusions that when this measure is returned to con-

ference, the conferees can eliminate either the Maybank amendment or the Long amendment, thus watering down the safeguarding provisions, and then expect that such a conference report will be agreed to by the Senate. I make this statement because I believe that some of the managers who have been handling this measure would have the Senate believe that the Maybank amendment has really been strengthened. Certainly I do not subscribe to any such view.

The Senate has passed clearly and firmly on both the Maybank amendment and the Long amendment. I think the Senate should insist that those amendments be retained, without being weakened; and I believe the Senate should maintain that position, regardless of whether the adjournment comes this week or next month.

Mr. LONG. Mr. President, let me say that I am delighted that the majority leader has proposed that the conference report be rejected, so that this measure will be returned to a further conference.

After having examined the statement of the managers on the part of the House and after reading the reason they gave for eliminating the Long amendment, let me say that I cannot agree for a moment that there is logic in their position.

For instance, they have stated that no one would bid for a rubber plant if there would be Government competition. They apparently overlooked the fact that written into the very terms of my amendment is an express provision—which will become law, of course, when the bill is enacted—that if the Government sells any of the plants, the Government is to close down the plants it still owns. So the Government could not possibly operate in competition with private industry.

It is argued that if only 30 percent of the plants were sold, and that if the Government did not operate any of the remaining plants, it would not be possible to obtain the minimum amount of production which might be desirable, and that therefore the provision forbidding the Government to operate any plants in competition with the privately owned plants should be set aside. Certainly that is a fallacious argument, Mr. President.

What I had in mind in submitting the amendment—and I insist that the intent of the amendment be preserved, although I would be willing to go along with a reasonable perfecting modification—was that if 2, 3, 4, or 5 plants having a value of anywhere from \$25 million to \$50 million were sold in a way that could not possibly be justified, Congress would have a right to throw out all the bad sales, but would be able to approve all the good sales. I hope that principle will be preserved, so that we shall have an opportunity to act on the transactions item by item, rather than to have to either accept or reject the entire group.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Senate

[Senate proceedings continued from p. 10554]

MEETING OF COMMITTEES DURING SESSIONS OF THE SENATE

Mr. LANGER. Will the Senator from Nevada yield to me for a moment?

Mr. MALONE. I yield.

Mr. LANGER. Mr. President, I ask unanimous consent that the subcommittees of the Committee on the Judiciary be allowed to meet during the remainder of the week, even though the Senate is in session. I may say we have very many nominations, including the nominations of United States Marshals, United States attorneys, and so forth, and we also have a great many private bills, which Senators have expressed a desire to have acted upon before the close of the session. Unless the subcommittees are permitted to sit during sessions of the Senate, that will be impossible.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. MANSFIELD. Mr. President, reserving the right to object, I may suggest to the distinguished chairman of the Committee on the Judiciary that the minority leader, who will return to the Senate before too long, will want to know about the request.

Mr. LANGER. When will the minority leader return?

Mr. MANSFIELD. I believe he will be here in about half an hour.

MUTUAL SECURITY APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

Mr. CHAVEZ. Mr. President, I should like to ask the majority leader a question. Is it contemplated to take up the supplemental appropriation bill this evening?

Mr. KNOWLAND. We are now on the Mutual Aid appropriation bill. When that is completed, I shall move to take up the supplemental appropriation bill. I hope to complete action on all appropriation bills this evening.

Mr. WELKER. Mr. President, did I correctly understand the Senator from California to say that we will finish all the appropriation bills this evening?

Mr. KNOWLAND. I am hopeful that we shall.

Mr. WELKER. Does that include the supplemental appropriation bill?

Mr. KNOWLAND. Yes.

EMANCIPATION OF THE AMERICAN INDIANS—ALL RIGHTS GUARANTEED BY THE CONSTITUTION AND THE BILL OF RIGHTS

Mr. MALONE. Mr. President, I am today introducing a bill to emancipate

a great race of people from the shackles of bureaucracy.

The proposed legislation would also give to the American Indian all the rights, privileges, and emoluments to which any citizen of the United States is entitled under the Constitution and the Bill of Rights.

The proposed legislation sets up machinery to determine and to discharge all of the obligations of the United States to the American Indian within a reasonable time.

EQUAL OPPORTUNITY

I believe that, with equal opportunity, the American citizens of Indian ancestry will take their rightful place in American affairs and activities along with the other great races that make up our country, such as the Germans, Italians, and other great nationalities.

INDIAN BLOOD—AMERICAN BLOOD

Indian blood is good American blood. The bill which I am introducing would give to the American Indians the same status in the communities of this Nation as that which has been enjoyed by citizens of this country during the past 150 years.

Mr. President, the American people express their disapproval of the policies pursued by certain administrations through voting these administrations out of office. This is the way of a free society and this is what happened to the Truman administration in 1952. It is the only way in which the citizens can deal with an unpopular and undesirable administration. It is also the best way to get rid of a load of deadwood which accumulates where administrations are too long in power.

GREATER COST FOR INDIAN BUREAU

This situation of decay has been most evident in one branch of the Government, namely the Bureau of Indian Affairs. This Bureau has, under both the New Deal and Truman administrations, been getting steadily worse and at greater and greater cost to the taxpayer.

If the American people had had an opportunity to vote specifically on the policies pursued by the present Indian Bureau they would have voted it out of office just like they voted out the Truman administration. For here, in the Indian Bureau, we have a rank display of incompetence.

INDIANS ON TRIBAL ROLL

Mr. President, I ask unanimous consent to have inscribed in the Record at this point, as a part of my remarks, a table showing the number of living persons on the tribal roll, and other data.

There being no objection, the table was ordered to be printed in the Record, as follows:

Number of living persons on tribal rolls

Arizona	97,374
California	133,650
Colorado	1,119
Florida	846
Idaho	4,557

Number of living persons on tribal rolls—Cont.

Iowa	579
Kansas	2,471
Louisiana	392
Michigan	2,202
Minnesota	19,430
Mississippi	2,838
Montana	22,221
Nebraska	4,933
Nevada	4,318
New Mexico	19,403
North Carolina	2,540
North Dakota	17,422
Oklahoma	257,923
Oregon	4,338
South Carolina	509
South Dakota	31,588
Texas	415
Utah	2,082
Washington	15,857
Wisconsin	15,058
Wyoming	3,337
Alaska	34,670

Grand total..... 403,071

¹ Includes all persons who have made application to be placed on tribal rolls. It is anticipated that approximately 50 percent of applications will be rejected or represent persons of less than one-quarter degree Indian blood.

² Five Civilized Tribes' roll was closed in 1907. This group represents a substantial portion of present Oklahoma Indian population.

From records of the Department of the Interior, Bureau of Indian Affairs, June 30, 1952.

Mr. MALONE. Mr. President, I believe that, with equal opportunity, the American citizens of Indian ancestry will take their rightful place in American affairs and activities along with the other great races that make up our country.

EQUAL OPPORTUNITIES

Mr. President, it is long past time for the individual Indians, both men and women, to be able to take their places in the various communities of this country without segregation, except as they themselves may elect to practice it.

They must be afforded the same opportunities and privileges as are afforded to other American citizens and they must have unimpaired opportunity to increase their earning power with the absolute right to enjoy what they earn.

SUBSTANDARD LIVING CONDITIONS

Mr. President, it is depressing to me to visit the Indian villages, towns, and reservations of my State of Nevada and those of other States and to find inadequate plumbing and sewage-disposal facilities. Almost nonexistent are the modern conveniences. Living conditions are intolerable in many cases, yet the appropriation for the Indian Bureau mounts higher and higher every year with a greater percentage going into the expansion of bureaucracy and less and less going where Congress had intended it to go, that is, direct to the benefit and to the advancement of the Indian people.

THE INDIAN BUREAU IS COMPLETELY INCOMPETENT

The Indian Bureau, like some great tropical parasitical vine, entwists and

duction, and for other purposes; to the Committee on Ways and Means.

By Mr. TEAGUE (by request):

H. R. 6620. A bill to amend the Veterans' Readjustment Assistance Act of 1952; to the Committee on Veterans' Affairs.

By Mr. HOLIFIELD:

H. J. Res. 317. Joint resolution to promote the peacetime application of atomic energy and the early development and practical use of atomic power; to the Joint Committee on Atomic Energy.

By Mr. PRICE:

H. J. Res. 318. Joint resolution to promote the peacetime application of atomic energy and the early development and practical use of atomic power; to the Joint Committee on Atomic Energy.

By Mr. MOULDER:

H. J. Res. 319. Joint resolution expressing the hope for peace and deep gratitude for members of our armed services by the Congress of the United States; to the Committee on Armed Services.

By Mr. JAVITS:

H. Con. Res. 176. Concurrent resolution expressing the condemnation of the people of the United States of religious and political persecutions behind the Iron Curtain; to the Committee on Foreign Affairs.

By Mrs. KELLY of New York:

H. Con. Res. 177. Concurrent resolution expressing the condemnation of the people of the United States of religious and political persecutions behind the Iron Curtain; to the Committee on Foreign Affairs.

By Mr. DONDERO:

H. Res. 365. Resolution authorizing and directing the Committee on Public Works to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under clause 15 of rule XI of the Rules of the House of Representatives; to the Committee on Rules.

By Mr. DONDERO:

H. Res. 366. Resolution providing funds for the expenses of the investigations and studies authorized by House Resolution 365; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 6621. A bill for the relief of Jack F. Richardson; to the Committee on the Judiciary.

By Mr. BARRETT:

H. R. 6622. A bill for the relief of Hall John Foo; to the Committee on the Judiciary.

By Mr. BERRY:

H. R. 6623. A bill for the relief of Helen J. Rizou; to the Committee on the Judiciary.

By Mr. BOSCH:

H. R. 6624. A bill for the relief of Samuel Turteltaub, Mrs. Lotta Turteltaub, and Adam Turteltaub; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H. R. 6625. A bill for the relief of Manuel Estaban Fonseca; to the Committee on the Judiciary.

H. R. 6626. A bill for the relief of Peter (also known as Petrus) Appelboom and Petronella K. Appelboom; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 6627. A bill for the relief of Dr. George Petkov; to the Committee on the Judiciary.

By Mr. DONOVAN:

H. R. 6628. A bill for the relief of Thomas James Nemsoko Dupigny Leigh; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 6629. A bill for the relief of Mrs. Nellie White Houck; to the Committee on the Judiciary.

By Mr. GARMATZ:

H. R. 6630. A bill for the relief of Arthur Sew Sang, Kee Yin Sew Wong, Sew Ing Lin, Sew Ing Quay, and Sew Ing You; to the Committee on the Judiciary.

By Mr. GARY:

H. R. 6631. A bill for the relief of Alexander Turchaninova; to the Committee on the Judiciary.

By Mr. HAYS of Arkansas:

H. R. 6632. A bill for the relief of Lee Bing; to the Committee on the Judiciary.

By Mr. HELLER (by request):

H. R. 6633. A bill for the relief of Maximilian Rubin; to the Committee on the Judiciary.

By Mr. HOSMER:

H. R. 6634. A bill for the relief of Lieselotte Boehme; to the Committee on the Judiciary.

By Mr. HUNTER:

H. R. 6635. A bill for the relief of Joseph Desson, Jr.; to the Committee on the Judiciary.

By Mrs. KEE:

H. R. 6636. A bill for the relief of Gregory Harry Bezenar; to the Committee on the Judiciary.

By Mr. KEOGH (by request):

H. R. 6637. A bill for the relief of Felice Marotta; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 6638. A bill for the relief of Ah Tsair Ying, also known as Ah Tsair Yung; to the Committee on the Judiciary.

H. R. 6639. A bill for the relief of Nino Bertini; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 6640. A bill for the relief of Michele Giordano; to the Committee on the Judiciary.

By Mr. OSTERTAG:

H. R. 6641. A bill for the relief of Maggie Jane Hanlon Magoffin; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 6642. A bill for the relief of Mrs. Augusta Selmer-Andersen; to the Committee on the Judiciary.

By Mr. PHILLIPS:

H. R. 6643. A bill for the relief of Manuel Lopez Avila; to the Committee on the Judiciary.

By Mr. PILLION:

H. R. 6644. A bill for the relief of Rangila Miah; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 6645. A bill for the relief of Mrs. Agavni Balantzian; to the Committee on the Judiciary.

By Mr. THOMAS:

H. R. 6646. A bill for the relief of Mrs. Elsa O'Neil; to the Committee on the Judiciary.

By Mr. TRIMBLE:

H. R. 6647. A bill for the relief of Yoko Kagawa; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

403. By Mr. STAGGERS: Petition of Rev. Fred Bowman and 42 other citizens of Keyser, W. Va.; Rev. Norman Harsh and 35 other citizens of New Creek, W. Va., and nearby communities; Carl Moreland and 25 other citizens of Ridgeley, W. Va., and nearby communities; urging the enactment of H. R. 1227, to prohibit all liquor advertising through interstate commerce and over the radio and television; to the Committee on Interstate and Foreign Commerce.

404. Also, petition of Melvin Slaubaugh and 33 other citizens of Kingwood, W. Va.; C. C. Moyers and 46 other citizens of Brandonville, W. Va.; and Jeremiah Everly and 21 other citizens of Bruceton Mills, W. Va., and nearby communities; urging the enactment of H. R. 1227, to prohibit all liquor advertising through interstate commerce and over the radio and television; to the Committee on Interstate and Foreign Commerce.

405. By the SPEAKER: Petition of Santa Gaud Rodriguez, Santurce, P. R., relative to illegal retirement on CSA 247873, in San Juan, P. R.; to the Committee on Post Office and Civil Service.

stigma that attaches to them in either status, and will at the same time free the communities to build up through the contribution and to the advantage, of all their people. This will eliminate a large item in the administration of Indian property, and save the Government several million dollars.

23. Cease the purchase of land to be held in tribal status. All purchases of land for Indians under the Indian Reorganization (Wheeler-Howard) Act puts it in tribal status and under Government trust, or it puts it under Government title for the use of some tribe. In no case is the tribe prepared to operate the land as tribal communal land except as they may attempt it under Government supervision. The purchase and supervision of tribal land costs the Government several million dollars annually.

24. Eliminate all Indian boarding schools at the end of the present fiscal year. Fourteen years ago, it was planned to eliminate the last of them in 15 years. The schools may be sold or transferred to other uses not under the immediate supervision of the Federal Government. Annual savings in excess of \$4,000,000.

25. Eliminate all day schools except such as may be located on unallotted reservations. This should be done at the end of the present fiscal year except that in some cases it may require longer to make the necessary transfer to the public-school system. This should result in a saving of approximately \$2 million to the Federal Government.

26. Dispose of the Indian Bureau library in a manner to make the books, reports, and official documents as generally available as possible.

27. Abolish the Indian Arts and Crafts Board. Annual savings in excess of \$20,000.

28. Transfer all Indian hospitals to the Public Health Service or Veterans' Administration for use by these bureaus as public or military institutions. This will result in an unestimated annual savings through the elimination of duplicate functions.

29. Close out the Federal accounts of approximately \$50 million of individual Indian moneys now on deposit in the Treasury by disbursing them to the individuals and thus eliminating administration costs.

30. Distribute the approximately \$19 million of Indian tribal funds in the Treasury, thus saving the Government an annual appropriation of \$700,000 for the payment of interest thereon.

31. Beginning July 1, 1945, reduce the central Indian Office staff to a commissioner and not more than 3 assistants, a chief counsel, and a clerical staff not exceeding 6 persons. Beginning January 1, 1946, the central office staff shall not exceed a commissioner and three clerks.

32. Beginning January 1, 1944, reduce all agency staffs to 1 administrative officer who shall act as liaison officer between the Government and the Indians under the agency and the absolutely necessary clerical and custodial staff not exceeding 5 Federal employees in any case.

33. Beginning January 1, 1944, not more than 1 administrative officer and not to exceed 5 clerical and custodial employees may be retained at each of the eliminated boarding schools to assist in their disposition, and to act as custodians pending such disposition.

The foregoing elimination should reduce the expenditures for the Indian Bureau for the fiscal year 1944 by more than \$15 million, while for the fiscal year 1945 the appropriations for the Indian Bureau should not exceed \$5 million.

CONGRESS RESPONSIBLE

Mr. MALONE. Mr. President, my references to Mr. Collier and Mr. Myer are not in condemnation of the personalities involved, they are in condemnation of the methods which the Congress

allows to be continued year after year. I must remind you that policies and the appropriations to carry them out must be passed on or voted by the Congress of the United States and, therefore, the responsibility is with us to see that the Indian citizens of our country have equal opportunities and privileges.

CONGRESSIONAL INVESTIGATION—ABOLISH INDIAN BUREAU

After many years of investigation, the most extensive and thorough report of our Indian problem was completed in 1953 by a congressional committee. The testimony from these hearings having filled 41 printed volumes.

As a summary of those hearings, Senate Report No. 310, 78th Congress, was issued in 1943. This summary report recommended the outright abolishment of the Indian Bureau and Federal guardianship over Indians and their property.

INDIAN BUREAU IS EXPANDING

It has become absolutely clear that the Indian Bureau cannot or will not, of its own accord, make any effort to make the Indians complete citizens and in consequence disband itself. On the other hand, statistics bear out the fact that the Indian Bureau is extending its control over the Indians and is becoming larger and more powerful each year. It readily accepts suggestions for withdrawal only because it can then expand the number of its employees in order to carry out the withdrawal which never is accomplished.

INDIAN BUREAU MUST BE ABOLISHED

Mr. President, there is only one solution to the problem and that is the complete abolishment of the Indian Bureau; therefore, I have introduced a bill to abolish the functions of the Bureau of Indian Affairs of the Department of the Interior, to remove the guardianship over Indians and trusteeship over Indian lands, and to repeal the act of June 18, 1934 (48 Stat. 934), as amended.

MUTUAL SECURITY APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the amendments of the committee be agreed to en bloc, that the bill as amended be considered as original text for the purpose of amendments and that no points of order be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc, are as follows:

On page 2, line 2, after "(1)", to strike out "\$1,860,000,000" and insert "\$1,900,000,000"; and in the same line, after the amendment just above stated, to strike out "together with not to exceed \$1,100,000,000 of the unobligated balances of appropriations heretofore made for military assistance, Europe, which balances shall be consolidated with this appropriation."

On page 2, line 9, after "(b)", to strike out "\$50,000,000" and insert "\$30,000,000", and at the beginning of line 10 to strike out "together with not to exceed \$250,000,000 of the unobligated balances of appropriations heretofore made for military assistance, Near East and Africa, which balances shall be consolidated with this appropriation."

On page 2, line 16, after "301", to strike out "\$985,000,000" and insert "\$1,035,000,000", and in the same line, after the amendment just above stated, to strike out "together with not to exceed \$210,000,000 of the unobligated balances of appropriations heretofore made for military and other assistance, Asia and the Pacific, which balances shall be consolidated with this appropriation" and insert "of which there shall be available for assistance to the Nationalist Government of China on Formosa a sum equal to not less than 20 percent in excess of the sums set up in the document entitled 'Mutual Security Program Estimates, Fiscal Year 1954'."

On page 3, line 3, after the figures "\$15,000,000", to strike out the comma and "together with not to exceed \$30,000,000 of the unobligated balances of appropriations heretofore made for military assistance, American Republics, which balances shall be consolidated with this appropriation."

On page 3, line 10, at the beginning of the line, to strike out "\$218,000,000" and insert "\$240,000,000"; and in the same line, after the amendment just above stated, to strike out the comma and "together with the unobligated balances of appropriations heretofore made for assistance to Spain, and not to exceed \$37,500,000 of the unobligated balances of appropriations heretofore made available for aircraft production in Italy."

On page 3, line 19, after the figures \$84,000,000", to strike out the comma and "together with not to exceed \$11,000,000 of the unobligated balances of appropriations heretofore made for this purpose, which balances shall be consolidated with this appropriation."

On page 4, line 7, after "304", to strike out "\$400,000,000" and insert "\$300,000,000."

On page 4, line 9, after the figures "\$50,000,000", to insert a colon and "Provided, That none of the funds appropriated hereunder shall be used for the transfer of special weapons unless the recipient nation has agreed to the return of such weapons to the Government of the United States when their return is requested by the President of the United States."

On page 4, line 17, after "Section 203", to strike out "\$24,000,000" and insert "\$42,743,499."

On page 4, at the beginning of line 22, to strike out "\$33,000,000" and insert "\$61,278,001."

On page 5, line 2, after "402", to strike out "\$20,000,000" and insert "\$24,342,000."

On page 5, line 4, after "548", to strike out "\$23,000,000" and insert "\$19,000,000."

On page 5, line 6, after "206", to strike out "\$120,000,000" and insert "\$164,000,000."

On page 5, after line 7, to strike out: "Palestine refugee program: Not to exceed \$44,063,250 of the unobligated balances of appropriations heretofore made for this purpose are hereby continued available during the fiscal year 1954."

On page 5, line 15, after "534," to strike out "\$10,000,000" and insert "\$7,500,000."

On page 5, after line 15, to strike out:

"Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, \$5,250,000."

And insert:

"Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, \$9,500,000; and, in addition, for the same purpose during the calendar year 1953 au-

thorized by section 404 (b) of the Act for International Development, as amended by section 709 of the Mutual Security Act of 1953, \$4,595,812."

On page 6, after line 2, strike out:

"Contributions to United Nations International Children's Emergency Fund: For an additional amount for 'Contributions to United Nations International Children's Emergency Fund' for the calendar year 1953, \$5,000,000."

On page 6, after line 6, to insert:

"International children's welfare work: For contributions during the calendar year 1954 authorized by section 545, \$9,000,000; and, in addition, for contributions during the calendar year 1953 authorized by section 12 of the Mutual Security Act of 1952, \$9,814,333."

On page 6, line 13, after "535", to strike out "\$1,428,000" and insert "\$1,580,166"; and in the same line, after the amendment just above stated, to strike out the comma and "together with not to exceed \$397,000 of the unobligated balances heretofore appropriated for this purpose, which balances shall be consolidated with this appropriation."

On page 6, line 19, after "303 (a)", to strike out "\$50,000,000" and insert "\$70,300,000."

On page 6, after line 19, to insert:

"The unexpended balance under each paragraph of title III, Mutual Security, of the Supplemental Appropriation Act, 1953, shall remain available for its original purposes through June 30, 1954, and shall be consolidated with the appropriate fiscal year 1954 appropriation made for the same general purpose in this act."

On page 7, after line 2, to insert:

"CORPORATION

"The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year 1954 for such corporation:

"Institute of Inter-American Affairs."

Under the subhead "General provisions," on page 7, at the beginning of line 15, to insert "Sec. 102."

On page 10, line 7, after the word "years", to strike out the colon and the following additional proviso: "Provided further, That no part of any appropriation contained in this act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of 5,000 pounds net but not exceeding 9,000 pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953."

On page 10, after line 17, to insert:

"SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually."

On page 10, after line 22, to insert:

"SEC. 104. Of the funds appropriated by this act, except funds appropriated for assistance under sections 541 and 548 of the Mutual Security Act of 1951, as amended, not less than \$100,000,000 shall be used to carry out the provisions of section 550."

On page 11, after line 2, to insert:

"SEC. 105. None of the funds provided by this act nor any of the counterpart funds

generated as a result of assistance under this act may be used to balance the budgets or to make payments on the debts of any country nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payments on their debts."

On page 11, at the beginning of line 10, to insert "Sec. 106."

On page 12, at the beginning of line 17, to insert "Sec. 107."

Mr. BRIDGES. Mr. President, in calling up the Mutual Security appropriations bill for 1954, H. R. 6391, I wish to make a few remarks in which I shall attempt to describe the thinking of the Committee in recommending this appropriation.

APPROPRIATIONS RECOMMENDED

The original budget estimates for 1954 called for an appropriation of \$7,614,410,145 in new funds. The revised estimates called for \$5,138,922,277. The amount of the bill as passed by the House was \$4,438,678,000 in new funds.

The Senate Committee on Appropriations is recommending to you today an appropriation of \$4,562,653,811, an increase of \$123,975,811 over the House and \$576,268,466 under the revised estimates.

In addition the Senate Committee is recommending an unobligated carry-over into 1954 of \$2,182,664,391, the estimate, which is an amount \$424,654,212 over the sum of \$1,758,010,179 allowed by the House.

BULK OF APPROPRIATIONS IS IN MILITARY ASSISTANCE

Of the total increase recommended by the committee, the great bulk of it lies in military assistance, including an additional \$312 million for the NATO countries and about \$97 million for Asia and the Pacific. The committee recommends a 20-percent increase above the budget estimate for military assistance to Formosa.

TECHNICAL ASSISTANCE

For technical assistance we have increased the House bill by \$63 million. Thirty-nine million dollars of this increase is for Asia and the Pacific. In addition, the committee has increased the amount for the Near East and Africa by over \$19 million.

COMMITTEE RECOMMENDATIONS

The committee does not believe that the workings of the Mutual Security Agency are perfect. The committee has expressed in its report its disapproval of the industrial-development program as unsound and unrealistic. It is also concerned over the loss of fund control of contributions made to the European Payments Union. It believes that counterpart funds might be of greater long-range benefit if they were fully utilized for approved projects rather than, directly or indirectly, for budget support. It believes that Lisbon-type aid is unwise.

In regard to personnel, the committee strongly urges the agency to utilize super-grade positions in a manner consistent with the intent of Congress in setting up these high-salaried jobs. To use these positions principally as a vehicle for promotions is to deprive the Government of men for whom the positions were mainly intended. Furthermore, the committee is of the opinion that while the removal

of coordinating or supervising functions from the regional office in Paris is salutary, yet personnel has not been comparably reduced.

The committee is recommending a more careful and periodic inspection of industrial projects. It also advises the agency to develop a less complex method of awarding contracts in the offshore procurement program which will be geared to the objective of securing the best price possible consistent with the ability of the bidder to perform. With the concurrence of the House and Senate, the committee intends to see that its recommendations will be carried out.

TOO LITTLE OR TOO MUCH

There may be those of my colleagues who believe that this bill contains too little or too much money.

Let me remind those who believe that the bill provides too little aid that as of June 30, 1953, there was a total unexpended balance of \$10,333,000,000. If we add the amount in the Senate bill to this total, we find that there will be almost \$15 billion available for expenditure in the coming fiscal year. Of this, the estimated unobligated balance as of June 30, 1953, is \$2,182,664,391.

To those who believe that the bill provides too much money, I can only say this: My own personal record for economy in Government is well known. I have opposed, and I shall continue to oppose any Federal expenditure which I believe to be unnecessary, wasteful, or extravagant. While, as chairman of the Senate Committee on Appropriations, I have had to support committee action on the floor of the Senate, sometimes higher than I would have wished for, the committee records will show that I have fought constantly within the committee itself for reduced appropriations.

Obviously, the committee cannot be positive that every single dollar appropriated will be well spent for the defense of the free nations and economic reconstruction but we do have faith in the new administration and believe that it will do all humanly possible to assure the American people that their funds are being wisely spent. On this matter, President Eisenhower is quoted as saying the following; and now I quote the President:

Unequivocally I can state that this amount of money judiciously spent abroad will add much more to our Nation's ultimate security in the world than an even greater amount spent merely to increase the size of our own military forces in being. (Senate hearings, p. 126, Dulles, quoting the President.)

CLOSE SCRUTINY OF AID BILL

The final figures in this bill have been arrived at only after the most searching inquiry possible.

It is the product of the knowledge, experience, and perspective gained by the Secretaries of State, Defense, Treasury, and the Mutual Security Director during several trips to Europe, Asia, and Africa. It is in part the product of the North Atlantic Council meeting in Paris. It is based on the findings of evaluation teams comprised of 60 outstanding leaders of American industry and finance who visited 12 major countries. It reflects months of work on the part of the National Security Council.

We of the Appropriations Committee have examined this bill for what it is intended to accomplish and what has already been accomplished. We have examined it in the light of changing world conditions. We have examined it, too, with our own economic conditions in mind—of the drainage of materiel and resources, the effect on the taxpayer, and on our own economy. We have examined it also for those essentials of cooperation on the part of our allies and friends which are so vitally necessary for the full accomplishment of our goals.

The bill then, as it lies before you, is, in our measured opinion, the best reflection of the funding necessary to continue the military economic buildup of the free world.

It is with these funds that we have already, in large measure, rehabilitated Western Europe and Japan. Further, we have encouraged and assisted in the development of much of north Africa, South America, and parts of Asia. In so doing we have aided in the rapid development of modern civilization and a higher standard of living in free nations throughout the world. Largely through these efforts Western Europe produces today 138 percent of its prewar output. But more than this, and equally important, we have, at the same time, shored up the defense of the free world as a bulwark against international piracy. However, we cannot yet afford to relax in our efforts, for our security goal is relative, and must be equated against totalitarian power and aggressive intent.

MUTUAL AID MEANS MUTUAL COOPERATION

More than two centuries ago Alexander Pope wrote, "By mutual confidence and mutual aid, great deeds are done." Certainly we could take this as our text. Great deeds are in the process of accomplishment.

This goal can be reached by mutual confidence and mutual aid. But it can only be reached if the effort itself is mutual, if there is full cooperation of both parties, if our allies are as anxious as we are, and as willing to sacrifice, to safeguard their own precious, but precarious, freedoms.

The American taxpayer, I am sure, is willing to dig deep into his jeans to help secure international peace and security. But in so doing, he must have confidence that the money he is spending is accepted in the spirit that it is given: that every recipient of such aid will demonstrate dollar value for dollar spent.

AMERICAN GENEROSITY

The funds in this bill are provided largely, but not totally, because we believe that in strengthening our allies we strengthen ourselves and the ideals we stand for.

But it would not be fair to the citizens who foot the bill for these vast sums, year after year, if the impression were given that all aid has been predicated on the assumption that self-interest alone motivated our largesse. America has been generous, more than generous, to our friends abroad. Of the total of the postwar aid of \$43 billion actually delivered, 83 percent has been economic aid and only 17 percent military aid. The preponderance of economic aid in-

dicates that the well-being of other nations was our principal motivation.

These colossal sums represent the greatest outpouring of money, resources, material, and scientific know-how in all history. The generosity and humanitarianism of the average American made this possible. It is important that our allies realize this, and that their attitude and actions reflect this.

PEACE WITH JUSTICE

America wants peace. We have shown on countless occasions our willingness to cooperate in order to achieve this. We shall continue to make these offers. At the same time, we must not—and we shall not—settle for peace at any price. A compromise without justice, without international security, would be meaningless, and would only embolden the forces of aggression. The sooner these forces learn this, the sooner the world will be able to launch in a spirit of international cooperation a program of world progress beneficial to all mankind.

BLUEPRINT FOR VICTORY

Two and a half years ago—on January 15, 1951—I stood on this floor and offered a positive and constructive program. I called it a blueprint for victory. In it I outlined 20 measures which we should take immediately to provide ourselves with a sound policy of international action. Some of these policies I advocated that day have since been put into effect. There should be more, and I look forward to more constructive measures being introduced by this new administration. This bill, as one such measure, is another link in our defensive armor, the armor which protects us against a possible thousand years of despotic barbarism. I urge all Senators to support it, without any serious amendments.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Maryland.

Mr. BEALL. Will the distinguished Senator advise the Senate as to the amount of the appropriations contained in the bill for Spain?

Mr. BRIDGES. I shall be very glad to do so. For Spain the bill contains a provision for carrying forward the entire unobligated balance of \$125 million. As the distinguished Senator from Maryland will recall, in previous Congresses we have appropriated \$125 million. Under the pending bill it is carried forward. In addition to the unobligated balance, there is included the Budget estimate of \$91 million for military assistance to Spain, and \$10 million for economic assistance to Spain. The committee bill contains \$3,271,977,003 for military assistance to Europe, which is a reduction of \$272,197,910 under the Budget estimate. The \$91 million earmarked for Spain for military assistance would, I will say to the distinguished Senator from Maryland, share its proportionate cut in the Budget estimate. The Budget estimate for mutual defense for Europe was \$383,906,906. The committee bill recommends \$355,706,906, or a reduction of \$28,200,000.

The \$10 million earmarked for Spain would share proportionately in the reduction.

I have tried to give the able and distinguished Senator from Maryland the whole picture of the carryover for Spain and of the new funds in the bill. I hope I have explained it to the satisfaction of the Senator from Maryland. We must allow for proportionate reductions which will come about as a result of the bill or the final form in which the bill is reported by the conferees.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Tennessee.

Mr. GORE. I wonder if the distinguished and able chairman of the committee would inform the Senate as to what amounts will go to the nation of France under this bill, and in what category.

Mr. BRIDGES. I will say to the distinguished Senator from Tennessee that part of the figures for France are in the secret category. I can give the general figures but specific data are secret. The distinguished Senator understands the situation, because he served on the House Appropriations Committee before he joined us in the Senate. He knows that in executive session we have to work from a secret and highly classified formula in connection with a part of the military aid.

Mr. GORE. I should like to say to the distinguished Senator that I happen to know the figures and therefore know the answer to the question I have asked. I am not sure that there is any necessity to hide the amount of economic aid being given to France under the pending bill. I know that the Senator will answer the question in his own way. I do not choose to place the figure in the Record, and perhaps the Senator from New Hampshire does not either. But certainly the Senate should have something more definite by way of information as to what is being given to France under the bill.

Mr. BRIDGES. I may say that there are funds in this bill for the country of France itself, and we also have a tremendous item for the war in Indochina. Indochina, of course, is a French possession. The figure I have before me, which is available for military assistance to France, which I can give to the Senator, is \$364,300,000. For economic aid we provide \$100 million for France. I am not talking about Indochina at all, because that is a tremendously large figure, and is much larger than the figure I have mentioned.

Mr. GORE. Would the Senator from New Hampshire feel at liberty to indicate the approximate percentage of the total amount which will go to France, or does he think that matter is classified and should not be stated?

Mr. BRIDGES. I know the Senator from Tennessee knows that I am not trying to conceal anything. But we took that testimony in confidence, and we were told that it was vital to the security of the United States and the free world that the exact figures be kept in confidence. I am not at liberty to reveal that

figure—although if the Senator from Tennessee will come to my desk, I will show him all the information I have.

Mr. GORE. Mr. President, I shall not press the question.

I should like now to ask a question which does not relate in any way to classified material: What justification does the Senator from New Hampshire feel can be marshaled in support of appropriating \$5 million for the purpose of establishing a cooperative exchange in Europe? This item relates to cooperative banks in Europe and an exchange fund between them.

Mr. BRIDGES. The Senate committee did not include that item. It was requested, but was not included by our committee.

Mr. GORE. So far as I am able to ascertain from the report, it has not been specifically eliminated.

Mr. BRIDGES. I should like to develop, as a result of this colloquy with the Senator from Tennessee, the very definite understanding that we intend to eliminate it; and if the Senator from Tennessee asks me that question, I shall reply that that is the intention of the committee. I am very happy that the Senator from Tennessee has called this matter to my attention. It is our intention that that item be eliminated, and I hope this colloquy on the floor of the Senate will constitute sufficient notification to the Agency that that is our intention.

Mr. GORE. I join the Senator from New Hampshire in that hope.

Will the Senator from New Hampshire be willing to have printed at this point in the RECORD a list of the countries to which point 4 aid is going and the amounts going to the various countries?

Mr. BRIDGES. Certainly; the Senator from Tennessee is at liberty to make that request now.

Mr. GORE. Then, Mr. President, I ask unanimous consent that the list be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

[In thousands of dollars]	
Near East and Africa.....	43,792.5
Egypt.....	11,876.0
Ethiopia.....	1,631.0
Iran.....	13,907.0
Iraq.....	2,237.0
Israel.....	1,521.0
Jordan.....	2,258.0
Lebanon.....	2,852.0
Liberia.....	1,283.5
Libya.....	1,534.0
Saudia Arabia.....	742.0
Syria.....	2,937.0
Regional projects.....	1,014.0
Asia and Pacific.....	72,100.0
Afghanistan.....	1,400.0
India.....	30,100.0
Indonesia.....	4,000.0
Nepal.....	600.0
Pakistan.....	13,000.0
Philippines.....	17,000.0
Thailand.....	5,000.0
DOT's.....	1,000.0
Latin America.....	24,342.0

[In thousands of dollars]	
Bolivia.....	1,476.5
Brazil.....	3,604.0
Chile.....	1,729.9
Colombia.....	1,707.3
Costa Rica.....	1,090.9
Cuba.....	242.1
Dominican Republic.....	523.4
Ecuador.....	1,341.6
El Salvador.....	763.5
Guatemala.....	211.4
Haiti.....	808.6
Honduras.....	977.3
Mexico.....	1,257.4
Nicaragua.....	674.7
Panama.....	1,228.4
Paraguay.....	1,534.8
Peru.....	2,054.8
Uruguay.....	515.0
Venezuela.....	187.5
DOT's.....	197.0
Regional projects.....	1,245.9
Undistributed.....	970.0

The PRESIDING OFFICER (Mr. CARLSON in the chair). The bill is 'open to further amendment.

Mr. LONG. Mr. President, will the Senator from New Hampshire yield for a question?

Mr. BRIDGES. I certainly do.

Mr. LONG. It was my understanding that the House reduced the administration's request by approximately \$1,100,000,000, although I understand the Senate committee has proposed to restore approximately half of that amount.

The committee report indicates only about \$128 million, or thereabouts as the difference between the bill as passed by the House and the bill as reported by the Senate Appropriations Committee.

Will the Senator from New Hampshire explain wherein lies the difference between that figure and the larger figure?

Mr. BRIDGES. I will say to the able Senator from Louisiana, who is a student of this bill, that that was obtained from the unobligated balances, and not from the new money. That was the source of the large difference between the two. The Senate committee voted to restore \$424,654,212 of the unobligated balances.

Mr. LONG. Are we to understand, then, that in handling the bill the House proposed, with regard to various items, that the amount appropriated be reduced by the amount of the unobligated balance already on hand, or at least by a certain portion of the unobligated balance on hand for each of the various projects?

Mr. BRIDGES. The Senator from Louisiana will remember that when the news came to us about the action taken by the House, we were given to understand that the House had made a reduction of \$1,100,000,000. Of that amount, only approximately \$700 million was new money, and approximately \$400 million plus was unobligated balances.

In the committee we voted to restore most of the unobligated balances, but only a very small fraction of the new money. That is the difference between the figures the distinguished Senator from Louisiana is studying today.

Mr. GORE. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. GORE. I have been disturbed that the special economic assistance program has been classified as a secret or security matter. I must say that that appears to me to be without very much justification. I wonder if there is not some political security involved, rather than military security.

Mr. BRIDGES. That type of classification has bothered me for some time in years past, and also this year. So often, as the Senator from Tennessee knows, in the committee we have listened to highly secret testimony, and thereafter we have read it in the newspapers or have heard it stated publicly.

I do not believe there is necessity for classifying for security purposes information about the economic situation or program. Nevertheless, that has been the procedure in the past, and it is the procedure now in certain respects. It is disturbing to me, and I hope that eventually the matter will be clarified.

I can understand the necessity for classification for security purposes in the case of information about military assistance and military-aid items. I think classification for security purposes would be justified to a large extent in those instances. But I am as much disturbed as is the Senator from Tennessee about this particular matter.

Mr. GORE. Mr. President, will the Senator from New Hampshire yield further to me?

Mr. BRIDGES. Certainly.

Mr. GORE. The Mutual Security Agency requested \$140 million for special economic assistance to the Middle East or Near East. The House voted to reduce that amount, but the Senate committee has recommended restoration of the full amount requested. I am unable to find in the report any breakdown regarding how much will go to each country, and for what purposes.

Mr. BRIDGES. That is not an increase in money over the amount voted by the House of Representatives. Due to the testimony presented before the committee, the Senate committee voted to transfer \$20 million from an item of military assistance to an item of economic assistance, for that general area. There was no specification which could be made public as to the distribution as to country, but it was a general area matter because, as the Senator from Tennessee knows, of the rather tight situation existing between countries in that immediate area and as to the feelings existing between them. That was the basis, so the committee was advised, for not spelling it out nation by nation.

Mr. GORE. I can understand that in some cases there might be some need for security; but why should not the Senate know how many million dollars we are appropriating for Trans-Jordan or Saudi Arabia, and for what purposes?

Mr. BRIDGES. I recall that we received that information on a classified basis, and I do not have a right to declassify it. But if the Senator from Tennessee will come to my desk, I shall be glad to show him the information.

Mr. GORE. I am not asking the Senator from New Hampshire to state to

the Senate information which he regards as classified. But after his study of the allocations for the Middle East and of the purposes for which the funds are to be allocated, in the opinion of the Senator from New Hampshire is that information classified for purposes of military security or for purposes of political security?

Mr. BRIDGES. I would say probably it is a combination of the two. I would say very definitely it cannot be attributed completely to either one or the other. That may be an unsatisfactory answer; nevertheless, that is about in accordance with the testimony the committee received.

Mr. GORE. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to the Senator from Tennessee.

Mr. GORE. According to the RECORD, the Mutual Security Administration requested \$24 million under the special economic-assistance program for aid to dependent overseas territories; that is, to European colonies in Africa. How much aid, for example, are we here appropriating for Morocco—or is that information classified?

Mr. BRIDGES. I may say to the Senator from Tennessee that I have no desire to evade his questions. I shall answer them so far as I can.

Mr. GORE. Mr. President, it seems unfair that the United States Senate does not have sufficient information to enable it to act, and to act intelligently.

Mr. BRIDGES. The Senator from Tennessee, as an individual, will be able to obtain the information. However, when it is classified, that means that it is not to be used publicly on the floor of the Senate. The Senator from Tennessee can, of course, get any information he desires.

Mr. GORE. As a matter of fact, I already have the information. But what I am trying to illustrate is that the Senate is called upon to act without adequate information, and that the American people have no way of obtaining the information with respect to the purposes for which the moneys in question are being spent, and as to what countries are to receive the moneys. I should like to ask the Senator whether he can assure the Senate that in his opinion there are proper safeguards for the distribution and expenditure of the funds in question.

Mr. BRIDGES. The Senator could ask me, but I can not assure him by giving an absolute answer to his question. It is the belief of the committee that the safeguards are such, with the operations of the General Accounting Office, and so forth, in following it up, that the money would be used for the purposes indicated in the bill. I cannot say definitely with respect to the end use. I certainly am not going to put myself in the position of saying that, in some other country, 5,000 miles from here, as a result of an appropriation made here under the pending bill, the end user will be able to spend it. I hope the funds will be used as Congress intends them to be. I believe every possible precaution

should be taken to see that such is the case. But I could not give the Senator an absolute assurance on it at this time.

Mr. GORE. Let us take France as an example. I do not intend by this colloquy to indicate that I have any pique against the great nation of France, but merely for purposes of illustration, we are by this bill appropriating money for economic aid to France in four different categories. The Senator, I believe, gave us a figure of \$364 million for military equipment, not for the Indochina war, and, then, a very large figure for aid in the conduct of the Indochina war, and also "aid to dependent colonies" in Africa and elsewhere. Is that true?

Mr. BRIDGES. Yes, that is true.

Mr. GORE. Would the Senator add to that list the point 4 program?

Mr. BRIDGES. No, I would not add the point 4 program, at least with respect to some of the countries.

Mr. GORE. Would he add the point 4 program for certain of the colonies?

Mr. BRIDGES. Yes, for some part of the colonies, but not for the major countries.

Mr. GORE. Is there an additional category under which we are making appropriations to any part of France?

Mr. BRIDGES. I think the great bulk of the money for France is to go directly to the European major country of France, and for military support in Indochina. That is the largest single country item in the bill. Aid to France itself is also represented by a very large item within the Europe assistance item. There is no question that a very substantial part of the funds is intended for France and her possessions.

Mr. GORE. The Senator, I take it, is satisfied, personally, to support the bill in its full amount?

Mr. BRIDGES. I thank the Senator, and I want to assure him that I believe the Congress should take every possible means to go to the extent which the Senator has very ably stressed, of saying that the end use of the funds will be in accordance with the purpose for which the appropriations are made. I could not give the Senator an absolute assurance, but I shall go as far as I can. As one humble Senator, I want to follow through with as thorough a checking as possible, in cooperation with our various agencies, such as the General Accounting Office, to determine whether that is possible.

Mr. GORE. I wish to express to the distinguished Senator my appreciation of the cooperation he has shown to me during the years in which we have served together in the Capitol. I appreciate, too, his generosity today in yielding. I should like to emphasize the fact that, when it comes to pass that the President pro tempore of the Senate, the able chairman of the powerful Senate Appropriations Committee, expresses on the floor of the United States Senate the opinion that the facts, figures, and allocations are withheld from the Senate and from the public for reasons of political security, it is then time for the United States Senate to assert its rights,

on its own behalf, and on behalf of the American people.

Mr. BRIDGES. Of course, the Senator from New Hampshire did not mean to imply that the information was restricted or withheld for political security reasons. I may say international political angles certainly play a part in it, though they are certainly not controlling. This is the manner in which this program has been handled under the previous administration also.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Missouri.

Mr. SYMINGTON. I should like to ask the distinguished Senator from New Hampshire whether he is aware of the chart appearing on page 28 of the hearings conducted by the Senate Appropriations Committee, which shows, for NATO, around \$560 million for foreign aircraft procurement.

Mr. BRIDGES. To what page does the Senator refer?

Mr. SYMINGTON. Page 28.

Before the Senate Armed Services Committee, in executive session, we discussed, in considerable detail, the aircraft program in question. I have now heard, by chance, that in addition to the number of planes shown on this chart there will be considerable production in Italy.

On page 352 of the Appropriation Committee hearings, Dr. Fitzgerald states that the money is definitely earmarked as to the second phase in the establishment of an airplane production industry in Italy. It is my understanding that, in addition to the chart which shows the amount of money and the type of plane, on page 28, there are extra planes which will be produced in Europe. Italy is not mentioned on this chart.

I respectfully remind the distinguished chairman that in World War II, English planes leaving England bombed French plants which were making, for the Germans, various types of war material. In this country, for strategic reasons, and as protection against possible Soviet bombers, we have moved certain plants deep in our own country. I think that should be considered when we make plans for manufacturing airplanes at points a few minutes away, by jet plane, from the Soviets.

The type of plane produced in Italy is not mentioned in the record. I now find that we plan to produce in Italy the latest model modern jet type we have, the Sabre jet.

I should like to ask the distinguished chairman if he does not think that before we pass on such items, involving many millions of dollars for plane production, we should know the countries in which the production is planned, and the types of planes which are to be manufactured.

Mr. BRIDGES. I do. I recognize the intense interest of the Senator from Missouri in this field and his distinguished service as Secretary of Air. I know he is a student of the problem. I recognize also the problems which are involved when we start manufacturing

for the mutual defense program airplanes abroad, particularly those of the latest design. The Senator knows they are being made in various countries. The Italian program is one of the latest to be conditioned into the general program. I think care should be used, first, to note that a very late design of a plane is manufactured by people whose security cannot be challenged, and that a great amount of money, effort, and equipment should not be put into plants which would be subject to easy attack. Those considerations have bothered me. I think they should be watched carefully. We are told that the planes developed in Great Britain, France, Belgium, and in the Netherlands, are a type of plane which is a very superior type and which compares favorably with the more modern types of fighters; that the production setup is good; that they are being manufactured at a very reasonable cost as compared with the cost of production elsewhere, and that most of the information coming from the projects to date is to the effect that the performance of the planes has been good.

I think the Senator has raised a very serious question of policy on which there could be honest differences of opinion and as to which there could be a mistake which would affect the defense of our country.

Mr. SYMINGTON. I thank the Senator. For many years it has been my pleasure to work with him on air strength, and I realize his thorough understanding of air power. I merely want to point out that this policy of plant location is in opposition to that of our air experts. I should like to associate myself with my distinguished colleague, the junior Senator from Tennessee about lack of information, because after a great deal of effort to find out in the Armed Services Committee what was the program, I find today that there is a large part of the program which was never testified to either in executive sessions or in open sessions, or in any other way, before the Armed Services Committee. It is interesting to note that our best type is being produced in a country whose government fell only yesterday. I am not going to offer any amendment, but if we are supposed to pass on these things, we should be given the facts. If they do not intend to give us the facts, why do we bother them by asking them to come before the committee?

Mr. BRIDGES. I believe the Senator has raised a question of a calculated risk. I believe his point is well taken, and I, too, am disturbed about it. I hope we shall follow the matter carefully, and not go into the program until we are very sure of our grounds and of the progress we are making. But, like the Senator from Missouri, though I question somewhat the policy in Italy, I am not going to raise a question. I realize the risk involved.

Mr. SYMINGTON. The production schedules, in my opinion, are unrealistic. I do not believe they will come anywhere near making the planes which they say they will make. I submit that for the record.

Mr. BRIDGES. Does the Senator mean in numbers and also in costs?

Mr. SYMINGTON. In numbers per day, and in costs also, because of the limited quantity.

Mr. BRIDGES. The Senator from Missouri is not raising a question as to the countries in which production is in real progress, such as Great Britain and France, but he has reference merely to the production in Italy.

Mr. SYMINGTON. And also in the low countries, based on the quantities. The Senator knows about the cost of aircraft because of his splendid investigation of the recent C-119. I believe that the learning curve, plus the low quantity, will produce far fewer planes than is estimated in the record before the committee, and at considerably higher costs.

Mr. BRIDGES. I think when the next bill comes up for something of this kind, we shall have a chance to judge more clearly. In view of the questions raised, I certainly think a very careful appraisal should be made.

Mr. SYMINGTON. I thank the Senator.

Mr. FERGUSON. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to the Senator from Michigan.

Mr. FERGUSON. Is not this an example of why these particular items come under the Department of Defense, rather than under Mutual Security? After all, these are defense items, or items the Department of Defense would be better able to judge about, because of their experience, rather than have them included in an appropriation of funds for a country receiving economic aid.

As I see it, the trouble is that we are combining two items. We are trying to procure defense and, at the same time, give economic aid.

Mr. BRIDGES. That is correct, and I thank the Senator from Michigan, who is chairman of the Subcommittee on Defense Appropriations. He has made a thorough study of the matter, and has made an able contribution to the discussion, because there is no question that our defense setup would be more thoroughly informed. I think the Senator is correct in saying that eventually the item should be included in the defense appropriation.

Mr. LONG and Mr. WILEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield; and if so, to whom?

Mr. BRIDGES. I agreed to yield first to the Senator from Louisiana; then I shall be glad to yield to the Senator from Wisconsin.

Mr. LONG. I hope the distinguished chairman of the Committee on Appropriations will use his influence to have a study made of the wisdom of continuing to manufacture the latest model American fighter planes in Italy, when we know that almost one-third of the people there are for communism anyway.

Second, I recall that during the last war our Armed Forces captured the naval base at Palermo. The Germans had made a great effort to demolish the facilities at that navy yard. Yet in less than 6 months—in fact, in about 3 months—we had those navy yards op-

erating again, through the use of the same Italian laborers who had worked for the Italian Navy, producing then for the American Navy.

It seems to me that if we build the fine jet types of planes, even if we have such good fortune that Italy never goes communistic, nevertheless it is entirely likely and possible that the Russians might succeed in capturing the plant, and use the same labor that is producing Sabre airplanes at present for Italy, which is a member of NATO. They would then be producing the same type planes to be used by Russian pilots, or by enemy pilots, against our American planes.

Mr. DIRKSEN. Mr. President, will the Senator from New Hampshire yield so that I may reply?

Mr. BRIDGES. I yield to the Senator from Illinois, because he raised that point in committee. I do not want the Senator from Louisiana or the Senator from Missouri to think I am enthusiastic about the Italian matter. There is no one, including both those Senators, who has greater fears than I have about this procedure. I am just as worried as are the Senator from Louisiana and the Senator from Missouri.

Mr. DIRKSEN. One of the distressing things about a bill like this is the vast amount of testimony that is given off the record. We forget the reporter, and we never do remember when we get back on the record. But whenever military security is involved, we stay off the record. My good friend the Senator from Missouri [Mr. SYMINGTON], talked to me about certain types of planes. I definitely pursued that subject with him off the record, because I share the same concern.

With respect to the question raised by the Senator from Louisiana [Mr. LONG], I specifically inquired, first, about the internal security in the plants which are manufacturing airplanes, substantially with our money, because that is a point of real concern in every country.

With respect to the location of airplane factories which are within a bombing orbit, that is a problem that is difficult to get away from, because if the foreign country is going to manufacture planes there on their own account, the plants would be within that orbit anyway. That observation would apply to Italy, France, or Britain.

So we recur finally to the one item which is always held before the committee: How are we to get the maximum amount of security for this country, with the least possible cost? That means: At what point are we to bring other countries into the cooperative effort, and at what point are we to get for our money a return which probably would justify the expenditure that is made?

Mr. SYMINGTON. I thank the distinguished Senator from Illinois. The point I was making about the Italian production was that it was never mentioned in open session or executive session, on the record or off the record, before the Committee on Armed Services.

Mr. DIRKSEN. Oh, that is right.

Mr. SYMINGTON. We went into what I thought was complete detail with

respect to the planes for the offshore procurement, plus direct cash subsidies for planes to the foreign countries. At no time, on the record or off the record, was there any discussion of any kind whatsoever in the Committee on Armed Services with respect to the Italian production, which I happened to learn about today.

Mr. BRIDGES. I now yield to the Senator from Wisconsin.

Mr. WILEY. I have several questions I wish to propound with respect to the amount provided for contribution to the United Nations technical-assistance program.

I note that the committee has allowed only \$9,500,000 of the \$13,750,000 authorized for multilateral technical cooperation; \$1 million of each figure being included as a contribution to the technical cooperation program of the Organization of American States. This leaves \$8,500,000 available for contribution to the United Nations technical assistance program for the calendar year 1954, as compared with the \$12,750,000 authorized. It is my understanding that, inasmuch as the full United States contribution will not be required by the United Nations until well along in the calendar year 1954, the committee did not wish to recommend the appropriation at this time of an amount which would not be required in full until a considerably later date. I hope it is agreed that the President may properly request the \$4,250,000 balance in the form of a supplemental appropriation at a later date, and that in the interim the United States representative at the United Nations may pledge the \$12,750,000 authorized, provided he makes it abundantly clear that this pledge is subject to the appropriation by this Congress of the amount not appropriated. Since the United States representative would in no sense be making a commitment, it would seem to be a correct course of action, but I wanted to have assurance on this point.

Mr. BRIDGES. The interpretation of the distinguished Senator from Wisconsin is essentially correct. His outline of the action is accurate. The position of the United States representatives or the executive branch with respect to the United States pledge to the United Nations technical assistance program is essentially correct.

The only point I wish to stress is that, as the Senator from Wisconsin knows so well, in the past many of our representatives have been prone to make unreserved commitments not subject to appropriations by Congress, and we have been told, whenever that was done, that there was nothing left for Congress to do but to make appropriations. So the committee decided to follow the present approach. But I would be willing to accept the interpretation as analyzed by the Senator from Wisconsin.

Mr. WILEY. I thank the Senator.

Mr. President, I note that the committee report contains language to the effect that—

United States representatives at international organizations are directed to propose and insist within the limit of their power

that United States contributions be reduced to not more than one-third.

Now I am in thorough agreement with the principle that the United States contributions to international organizations should as a rule not exceed one-third of the total to be paid by all members; but I am aware that the Congress has recognized that certain exceptions should be made to this principle, and I would like to satisfy myself that the committee does not intend that these exceptions should disappear where valid considerations argue that they should be continued in the interest of an effective foreign policy. In the case of the regular budgets of these organizations, last year the State Department appropriation bill, which includes our contributions to these regular budgets, exempted the inter-American organizations from the provision which restrains our representatives from committing the United States to pay more than one-third in the absence of specific legislative authority. This exception was made in view of the fact that the total membership of these organizations is necessarily limited to not more than 21 countries, and to the fact that the economic condition of the other American Republics is such, in comparison with our own, that they could not reasonably be expected to pay two-thirds of the budget when their total combined resources are not more than one-tenth of our own. This year, the exemption has been broadened to include the Caribbean Commission, where the membership is even more limited; and the ICAO joint support program, where costs are shared on the basis of each country's use of the North Atlantic air route and, therefore, there is a good and equitable reason for the United States paying a share proportionate to its extensive use of this air route, even though this involves a contribution in excess of one-third. I fully support the reasonability of these exceptions, and I simply seek assurance that their justifiability is recognized by the committee.

I would also like to be assured that the committee recognizes that an exception should be made in the case of the United States contribution to the Palestine Refugee Agency and to the United Nations Korean Reconstruction Agency, contributions which are provided in the bill now before the Senate. In each case, the relief and reconstruction program relates to an area of the world, and to a political situation, where the United States has felt a very direct and special responsibility which would compel our support even in the absence of there being a like concern on the part of other friendly governments. I am informed that the United States contribution to these programs is now in the neighborhood of 65 percent of total pledges and contributions. While it is certainly our desire that the United States should pay no higher, proportionately, than absolutely necessary, I am convinced that the Committee would not have recommended the amount of approximately \$44 million for the Palestine Relief Agency and \$71 million for the Korean Reconstruction Agency if it had intended, at the same time, that these

contributions be not more than one-third of total contributions. I am therefore seeking reassurance that the committee recognizes that these are necessary exceptions to our general one-third principle.

I would seek the same assurance with respect to our contributions to the United Nations International Children's Emergency Fund and the United Nations Technical Assistance Program. In the case of the Children's Fund, the Congress has recognized in the Mutual Security Act of 1952 that the total to which the United States contribution should properly be related is a total which includes the contributions of countries receiving assistance made toward the projects within their territories. I would like to be assured that, similarly, the committee feels that a United States contribution of as much as 60 percent to the limited Central Account of the United Nations Technical Assistance Program is reasonable as long as this contribution does not exceed one-third of total contributions including contributions of countries receiving assistance toward projects within their boundaries. These local contributions, which exceed by one and one-half times the contributions made to the Central Account, are not made without real effort and sacrifice by the underdeveloped countries, and I think it only fair and just that they be recognized by us in our own contribution.

In summary, Mr. President, I should simply like to be reassured that exceptions of this nature are not ruled out by the directive of the committee that United States representatives shall do everything possible to see that our contributions do not exceed the one-third figure.

Mr. BRIDGES. I will answer the distinguished chairman of the Foreign Relations Committee. First I wish to make a general statement, and then answer his question specifically.

In the first place, let me say that most of the Members of the Senate believe that the countries with which we are cooperating, which are members of organizations of an international character, ought to pay their fair share of the cost of the programs and the maintenance costs. So year by year members of our committee have been insisting that we shoot for one-third, or 33 1/3 percent, as the top maximum for the contribution made by our country.

The committee is aware, of course, that there are situations in which there should be exceptions. I believe I can say to the Senator from Wisconsin that the exceptions which he cited are the ones of which the committee is aware. It seems reasonable that the general language of the committee report should not place such exceptions in question. In other words, it should not jeopardize their standing. This can also be said of our contribution to the small technical assistance program of the organization of the American states.

Mr. WILEY. I am very grateful for that assurance. I believe the Senator has very well stated what the understanding is. For example, we have

fought continuously, and with rather good results in the United Nations, to bring down the proportion of the overhead cost of the United Nations itself. Last year we brought it down, as I recall, to 35 percent, with the understanding that it would come to 33 1/3 percent.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Michigan.

Mr. FERGUSON. Is it not a fact that since appropriations for various items mentioned by the distinguished Senator from Wisconsin have amounted to more than 33 1/3 percent, we have recognized that the rule does not apply to those particular items?

Mr. BRIDGES. That is correct.

Mr. FERGUSON. Is it not also a fact that the committee has in mind that every negotiator, when he is negotiating to advance money of the American taxpayer, should on all occasions endeavor to see that other nations participating in the joint effort contribute to their full capacity, even though we do not mention the percentage which they may be required to pay?

Mr. BRIDGES. I agree with the Senator from Michigan. I congratulate him, because he has been one of the Members of the Senate and of the committee who have very forthrightly stood for seeing to it that our country did not make a greater contribution than its fair proportion of the cost of the mutual-aid organization, and that other countries bore a fair proportion of the cost. I think it is a sound procedure.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. COOPER. I am glad to hear the statements of the distinguished Senator from Wisconsin [Mr. WILEY], the chairman of the Foreign Relations Committee, and the distinguished Senator from Michigan [Mr. FERGUSON].

I have a very deep interest in the technical assistance, called the point 4 program of the United Nations. I am quite sorry that the full amount, \$12,750,000, requested by the President, was not appropriated. I agree with the Senator that negotiators do not have the power to bind the Congress without authority.

But I am glad to learn from the colloquy which has just taken place, that it is possible that a pledge may be made in the U. N. for the remainder, with the understanding that Congress is not bound.

To get back to my point, I believe that this program of United Nations technical assistance is an important one. Since it began in 1950, it has been extended to about 70 countries. Sixty-seven countries have participated and contributed to it. It has been an asset to United States foreign policy. It has helped non-Communist countries we could not reach with our bilateral agreements. It has been a strong arm in the effort to ameliorate hunger, disease, and poverty, the causes which encourage the advent of communism. It creates good will for the United States as the people of underdeveloped countries are helped by our experts. A farm county agent,

like those we have throughout this country, or our doctors, our sanitation experts, teachers, and engineers probably create more good will for the United States in underdeveloped countries than millions of dollars would do. This program was fostered by the United States and is in our best tradition.

I had hoped that the program would not be limited and that the full amount would be appropriated. I am sorry, and hope the full amount will be provided as suggested by the Senator from Wisconsin [Mr. WILEY].

Mr. BRIDGES. I thank the distinguished Senator from Kentucky.

Mr. THYE. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. THYE. Mr. President, I have received a cablegram which was sent by Mrs. Elizabeth Heffelfinger to the State Department. Mrs. Heffelfinger represents the United States as a delegate to the Economic and Social Council of the United Nations, which is meeting in Geneva, Switzerland. It reads:

From Geneva.

To Secretary of State.

Received July 22, 1953.

Opening meeting TAC today overshadowed in funeral manner by situation United States contribution; chairman in opening remarks welcomed U. S. S. R., Poland contributions and stated his hope that this would start a race to support program. Owen in presenting report of TAB stressed several times catastrophic results that would flow from withdrawal of mainstay of support, obviously referring to United States. Following this, pall fell over meeting, accentuated by Philippines statement that whole discussion might be academic and wish that appropriations committees of Parliaments might be here instead of delegates.

United States delegation replied strongly emphasizing United States basic support for program despite current difficulties.

Mrs. Heffelfinger requests Senator THYE be informed contents this cable.

OAKLEY.

Mr. President, I have received another cablegram dealing with the same question. Our technical assistance program under the mutual security program is very essential in my opinion, because if we fail to carry through on it—and I think it has made a very valuable contribution to our international security—other nations will become discouraged and they in turn will likewise fail to make their contributions, with the ultimate result that our technical assistance program will be greatly curtailed, or may even suffer to such an extent that it will not be effective. Mr. President, I ask unanimous consent that the remaining cablegram be incorporated in the body of the RECORD at this point, as a part of my remarks.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

From Geneva.

To Secretary of State.

Received July 22, 1953.

To Senator EDWARD J. THYE from Elizabeth Heffelfinger.

Gravely concerned congressional action re appropriation technical assistance and UNICEF. TA reductions proposed 1953 supplemental undermines programs now under way. Reductions United States contribution 1954 likely result other governments cutting

their contributions, bringing general accusations against United States scuttling of program which they proposed thus threatening United States world leadership, prestige; accusing us isolationism. Prestige Soviet countries on other hand will be enhanced as U. S. S. R. and Poland are exploiting every opportunity as indicated by offers to TA fund, for first time.

United States contribution fund represents best investment to further our interests also basic Republican philosophy, help those who help themselves, as beneficiaries supply most of cost.

Know program can be salvaged if you will give personal leadership Senate appropriations. United States delegation in accord these two programs vital at this time. I am counting on you as never before.

Regards.

OAKLEY.

The PRESIDING OFFICER (Mr. BARRETT in the chair). The bill is open to further amendment.

Mr. LONG. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. Does the Committee on Appropriations have any amendments to offer?

Mr. BRIDGES. The chairman of the committee is instructed, on behalf of the committee, to offer various amendments which have legislative characteristics. The chairman will offer them at the conclusion of the presentation of the other amendments. If there are any amendments to be offered the Senator from New Hampshire would prefer that the Senate proceed with their consideration.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Louisiana [Mr. LONG].

The LEGISLATIVE CLERK. On page 12, between lines 16 and 17, it is proposed to insert the following:

SEC. 107. Not to exceed \$4,018,023,788 of the aggregate amount appropriated by this act shall be available for expenditure.

Mr. LONG. Mr. President, I desire to ask for a yea-and-nay vote on the amendment. Because there are only a few Senators on the floor, I believe it will be necessary for me, first, to suggest the absence of a quorum. I do suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Flanders	Kilgore
Anderson	Frear	Knowland
Barrett	Fulbright	Kuchel
Beall	George	Langer
Bennett	Gillette	Lehman
Bricker	Goldwater	Lennon
Bridges	Gore	Long
Bush	Green	Magnuson
Butler, Md.	Griswold	Malone
Butler, Nebr.	Hayden	Mansfield
Byrd	Hendrickson	Martin
Capehart	Hennings	Maybank
Carlson	Hickenlooper	McCarran
Case	Hill	McCarthy
Chavez	Hoey	McClellan
Clements	Holland	Millikin
Cooper	Humphrey	Monroney
Cordon	Hunt	Morse
Daniel	Ives	Mundt
Dirksen	Jackson	Murray
Douglas	Jenner	Neely
Duff	Johnson, Colo.	Pastore
Dworshak	Johnson, Tex.	Payne
Eastland	Johnston, S. C.	Potter
Ellender	Kefauver	Purtell
Ferguson	Kennedy	Robertson

Russell	Smith, N. J.	Watkins
Saltonstall	Sparkman	Welker
Schoeppel	Stennis	Wiley
Smithers	Symington	Williams
Smith, Maine	Thye	Young

The PRESIDING OFFICER. A quorum is present.

Mr. LONG. Mr. President, I suggested the absence of a quorum for the purpose of asking that the yeas and nays be ordered on the amendment, which would place an overall minimum in the same amount as that agreed to by the House, although it does not limit the Senate to the language of the House provision, nor does it limit the Senate to the precise reductions on each individual item. But the overall amount would be the same. Mr. President, at this time I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. LONG. Mr. President, the amendment proposes that an overall limitation of \$4,014,023,788 on the amount available for expenditure. I propose that figure because it is the amount of additional authorizations the House has proposed.

Referring to page 6 of the committee report, it will be noted that the difference between the House and the Senate figures is \$548,630,023.

My amendment would make the amount in additional funds to be provided by this Nation under the pending bill the same as that approved by the House. The House had a rather complicated way of reducing the amount of expenditures available, in that most of the House reduction came through requiring funds already appropriated but not committed to be used for purposes proposed under the mutual-assistance bill of this year. My amendment does not employ the precise language used by the House. I think it would be better, in conference, that discretion be allowed, so that the House and Senate could adjust differences, item by item, but that the overall amount appropriated by the Senate would be the same amount as the overall amount appropriated by the House. Following that plan it would be possible to make the best advice of the administration available to the conferees, to enable them to determine precisely which items should be reduced and which should not be reduced; and there would be very little quarrel, in conference, so far the overall amount was concerned, because it would be the same in both bills.

Mr. GORE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG. I yield to the Senator from Tennessee.

Mr. GORE. I understand that the distinguished Senator from Louisiana has offered an amendment to make a reduction in the overall figure, and to make it equal to the amount appropriated by action of the House.

Mr. LONG. That is correct.

Mr. GORE. But I understand further that the Senator is not proposing that his amendment be applied in the exact way that the House applied its cut in the appropriation.

Mr. LONG. That is correct.

Mr. GORE. Perhaps the Senator's position has merit, but I think the selec-

tive cutting done by the House offers certain advantages also. For instance, I notice, from the tabulation which I have before me, that the Mutual Security Administration requested \$24 million for dependent overseas territories, that is, European territories in Africa. That is a new program, requested and proposed. The House eliminated it entirely. The Senate committee has recommended the appropriation of the full amount requested by MSA. That is one item I should like to see eliminated.

There are other items as to which I might be in disagreement with the action of the House. It is not my purpose to suggest that the Senator from Louisiana alter his amendment since he has a fixed position; but I desire to point out that some of the selective reductions made by the House, are, in my opinion, wise.

Mr. LONG. I am frank to say that, had I been on the floor at the time the unanimous-consent request was made that all committee amendments be considered and agreed to en bloc, subject to the right of any Senator to move to reconsider any one of them, I would not have agreed to that unanimous-consent request. I believe that, by and large, the House made a determined effort to reduce the bill by a larger amount; and, by and large, I believe that the judgment of the House was sound. For the most part, I would be inclined to agree to the House provisions. However, the parliamentary situation being what it is, I believe we can at least limit the overall amount of the expenditure, and that in the conference the House language will still be before the conferees, and any differences can perhaps be adjusted in conference.

The amendment I am offering affords a short cut, insofar as determining the amount the Senate is willing to appropriate, and how far the Senate is willing to go.

Mr. President, I should like to make 1 or 2 further points. For one thing, I believe we should realize that, although both committees labored hard, and have, to the best of their ability, tried to give us a bill in the interest of this Nation, the fact remains that both committees had substantially the same advice available to them.

We all know that the President of the United States was concerned about the fact that the Congress was in a rather economical mood, and that he, I believe, had breakfast with the members of the House Appropriations Committee, and lunched with the members of the Senate Appropriations Committee, explaining to both groups the urgency of the program. I believe that such things are necessary now and then in order to bring about a better understanding between the Executive and the Congress.

Nevertheless the House, having had available to it the arguments of the President, having had occasion to discuss the matter with the President, and having discussed it with witnesses sent to them by the administration, felt that it could reduce the appropriation by about \$1,100,000,000.

I find that the prediction I made when the authorization bill was before the Senate was correct. Senators will re-

call that at that time our distinguished majority leader, the Senator from Ohio [Mr. TAFT] made the statement that, in voting against reducing the authorization, he was not at all committing himself to vote for the full amount when it came to the point of making the appropriation. At that time the argument made by the junior Senator from Louisiana was that we were not going to have a fight to reduce the amount of the appropriation, that the fight would be to restore the reductions made by the House; and that is what we find confronting us at this time.

The Senate committee believed that it should restore about \$548 million which the House had taken from the bill. I am aware of the fact that some members of the Appropriations Committee felt that this amount should be reduced, and other members of the Appropriations Committee felt that even a greater amount should be cut from the bill.

Mr. McCLELLAN. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield to my distinguished friend from Arkansas.

Mr. McCLELLAN. I just now came on the floor. I should like to inquire whether the Senator from Louisiana has offered an amendment to reduce the amount of the appropriation in this bill.

Mr. LONG. Yes; I have offered an amendment to limit the overall amount to \$4,014,023,788, which is the amount of the overall appropriation contained in the House bill.

Mr. McCLELLAN. May I inquire how much that would reduce the amount carried in the Senate bill as reported by the Appropriations Committee.

Mr. LONG. It is a reduction of \$548,600,023 below the amount recommended by the Senate committee.

Mr. McCLELLAN. I may say to the distinguished Senator that I voted in the appropriations committee to reduce it to the amount in the House bill. I may also say that I am ready to vote for that reduction again on the floor of the Senate. In my own judgment, there is a billion dollars in this bill that is waste, from which we will never get a dollar's worth of benefit. There is so much covered up in the bill, listed under the title Military Assistance, and when we sift it out we find there is a great deal of economic aid and assistance covered up in it. I do not believe the Senate would want to vote for it if it were exposed and laid out on the table in front of us. I am perfectly willing to go along with some military aid, where discretion is used in spending the money so as to get dollar value received in collective security. But for the past 5 or 6 years we have been pouring out money for Europe for economic aid. We have rehabilitated the economies of some countries to the point where their productive capacity is from 30 to 50 percent in excess of their productive capacity before the war.

I may say to the distinguished Senator that if we take the case of Great Britain we shall find that in the item for military aid for Great Britain in this bill there is included \$100 million of economic aid. That is not exposed; it is not in there for us to see, but it is there.

Much of it will be used for the purchase of agricultural commodities or the products of agricultural commodities. But I will say to the distinguished Senator that we are still financing the economy of Europe in order to help them keep a balanced budget while we continue to pile up mounting deficits of our own in this country. I am opposed to it.

Those nations can stand on their own feet, and they should. Economic aid should not be appropriated in the name of military assistance.

I hope the Senator's amendment to reduce the amount in the bill by over half a billion dollars will prevail. I intend to support his amendment.

Mr. LONG. I certainly appreciate the statement of my very able and distinguished friend from Arkansas, who has always been one of the leaders for economy. I am informed that this year's deficit in the United States will be more than the total budgets of the nations we are aiding in Europe. Already their economy is producing 138 percent of their prewar production. Some of them are giving their people the benefit of tax reductions, while we are still pumping economic aid to them. We should realize that there is \$8.8 billion in the pipeline already on its way to them, and it would be in order for us to reduce the figure to the amount of the House figure.

I believe it can be reduced a billion dollars below this figure. I would offer an amendment to that effect if I thought there were sufficient votes to adopt it.

Mr. MAYBANK. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. MAYBANK. I hope the Senator will offer such an amendment. It is easy to take a billion dollars out. There is available \$10,400,000,000 which has not been used.

Mr. LONG. I am glad to have that information from my friend from South Carolina.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. SMITH of New Jersey. Has the Senator discussed the House cuts with the Secretary of State, the Director of Mutual Security, and with the President of the United States before making that suggestion? Let me say to the Senator that when the House cuts came through I conferred with Mr. Dulles, with Mr. Stassen, and with the President of the United States himself, and I was assured by those gentlemen that the cuts in the House would be dangerous to our present security position.

I shall support the bill. I am giving a vote of confidence to the President of the United States, the Secretary of State, and the Mutual Security Director. I am opposing the cut, because I want to make it clear for the RECORD that I am supporting the President of the United States, the Secretary of State, and the Mutual Security Director.

Mr. MAYBANK. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG. In a moment.

I admire the Senator from New Jersey. He is a sincere and conscientious statesman, but I cannot agree with him that the amounts in this bill cannot be reduced.

Mr. MAYBANK. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG. I yield.

Mr. MAYBANK. I want to remind the distinguished Senator from New Jersey that the present President of the United States last year asked us to appropriate more money. At that time he was the head of NATO. So did the present Secretary of State, who was at that time an adviser to the then Secretary of State and who always collaborated with him. We cut the amount last year and they did not even spend the reduced amount. That is the record.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. SMITH of New Jersey. We have already cut over a billion dollars, and the President of the United States said it would be dangerous to cut further. I must go along with him or else repudiate my own leadership.

Mr. MAYBANK. I would not suggest that the Senator do anything to repudiate his own leadership, nor would I suggest that the President of the United States would intentionally make an error.

Last year they did not spend \$2 billion of the amount we authorized. A year ago on this floor I offered a motion to cut the appropriation a billion dollars.

Mr. SMITH of New Jersey. We held back in our production—

Mr. MAYBANK. I understand that. They have authorizations for \$10,400,000,000 they cannot even spend.

Mr. CHAVEZ. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. CHAVEZ. I respect the opinion of my good friend from New Jersey. I know the American people elected the President of the United States, but they also elected the Congress of the United States, which does the appropriating. In order to follow leadership, are we going to completely ignore those who are given the duty of passing judgment upon appropriations? I want to cooperate with the President, of course.

Mr. SMITH of New Jersey. Our own committee, which has studied the problem, is supporting the Senate Committee on Appropriations.

Mr. CHAVEZ. I supported the position of the Committee on Appropriations, but while I am a Member of this body I do not propose to let anyone in the executive department take the responsibility of the members of the Committee on Appropriations.

Mr. LONG. We have a very fine Appropriations Committee, and there is also a very good Appropriations Committee on the House side. There were members of the Senate Appropriations Committee who wanted to cut this bill as much as a billion dollars below the figure which has been brought to the floor. The opinion of the President of the United States is not sacrosanct.

General Eisenhower advised us as to the amounts he thought were needed.

Mr. ELLENDER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. ELLENDER. A telegram from President Eisenhower was mentioned on two or three occasions. I hold in my hand an excerpt from that telegram, addressed to Hon. Tom Connally, chairman, Senate Committee on Foreign Relations. I read:

While we here are not in position to compute in detail the effects of specific fund reductions, it is quite clear that in terms of impact on our military programs, an aggregate reduction of the order of a billion dollars would be heavily and seriously felt. Any cut materially greater than this would create such difficulties that a drastic revision of the whole program might well be indicated and might therefore endanger the proposed military build-up now visualized, and which I consider essential in the interest of United States security.

Notwithstanding the telegram, the Senate went on record and reduced the amount \$1 billion.

The record shows that of the appropriation last year, \$800 million is unobligated, so someone made a mistake with respect to the original estimate of \$1,800,000,000.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, I ask unanimous consent that I may be permitted to yield, without losing the floor, to the Senator from South Carolina.

Mr. MAYBANK. There is \$800 million unobligated, but \$2,200,000,000 unspent.

Mr. ELLENDER. The distinction I am trying to make is that of the amount appropriated last year, \$6,100,000,000. \$800 million is still unobligated. Aside from that there is over a billion dollars of prior appropriations.

Mr. MAYBANK. That is not spent.

Mr. ELLENDER. It is unobligated.

Mr. MAYBANK. Two billion two hundred million dollars is not spent, but is obligated.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Arkansas.

Mr. McCLELLAN. Let us get the figures straight. As I understand, \$800 million of last year's appropriation is unobligated.

Mr. ELLENDER. Unobligated.

Mr. McCLELLAN. The Senator has made a statement that more than a billion dollars of prior appropriations is unobligated.

Mr. ELLENDER. That is correct.

Mr. McCLELLAN. So there will be available for expenditure during the next fiscal year \$2 billion, plus the amount included in the pending bill?

Mr. ELLENDER. The Senator is correct.

Mr. McCLELLAN. That makes more than \$7 billion. If we appropriate the amount included in the bill, more than \$7 billion will be available for obligation and expenditure next year.

Mr. ELLENDER. The Senator is correct.

Mr. LONG. Mr. President, I know those in charge of the program will say

now, as they did last year and the year before, that if we cut a major amount from the appropriation they are requesting, it might wreck the whole program. We have been told that year by year, on ECA, economic aid, military aid, and all the foreign-aid programs. We have always been told that. Congress has repeatedly reduced the amounts by billions of dollars against that advice, but to this day the programs have not been wrecked. The foreign countries are still happy to get our money. Although it may be found that some people at the top levels will say they have to have every cent of the funds, if we talk to persons who are working at those levels they will admit that not all the money is needed.

I have been told that enormous amounts of this money are being wasted. That information has come from some of those who have negotiated the arrangements with foreign nations. I would not wish to embarrass those persons. It might affect their standing if it were known that they expressed an opinion that their programs were wasteful. But there is an enormous waste in these programs.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LEHMAN. I wonder whether the Senate realizes how much of a cut already has been made in the bill, and what the effect of a further cut would be. After all, the amount now recommended by the Senate in the bill is \$1,580,000,000 less than what was appropriated for 1953. It is \$3 billion less than the original Budget estimate for 1954. It is nearly \$600 million less than the revised estimate. Now it is proposed to cut out another \$500 million or \$600 million.

There is no testimony from any responsible civilian or military officer whom I have heard, or whose statements I have read, that indicates that the threat to our freedom and our liberty by Soviet aggression is one jot less than it was a year ago. Quite the opposite. Because we have achieved a cease-fire order in Korea, what we are doing now is merely permitting ourselves to be lulled to sleep. We are permitting ourselves to be fooled. We are permitting ourselves to withhold doing what it has been our obligation to do, namely, to provide adequate funds necessary for our defense and the defense of the free world. I think it is foolhardy to make such drastic reductions. I very much hope we will not permit ourselves again to be lulled into a false sense of security, and to make reductions for which there is no justification whatsoever.

Mr. LONG. It is interesting to note that in addition to all the money carried in this bill, there are billions of dollars left over from prior years. In addition, the bill contains appropriations for economic aid in the amount of \$1,483,000,000. Imagine that. Many of the beneficiary countries are in much better condition now than they were before the war, yet our Nation is still pumping economic aid to them at the rate of almost a billion and a half dollars a year.

We are now facing the prospect of being requested by the President to raise

the debt limit above \$275 billion, and are being told that the excess-profits tax must be continued, when everyone had been led to believe it was about to expire. We face the prospect of returning next year to continue all the wartime excise taxes.

Someone has made a point about Korea. That will come later. Before Congress adjourns, we shall have a bill to provide \$200 million more for Korea, as part of a program which will eventually cost another billion dollars.

We have been aiding foreign countries as long as I have been in the Senate, and were long before I came here. It seems to me that we could begin to make some economies in the program. The House has made a noble effort to reduce the amount of the appropriation. They have studied and pinpointed precisely where the reductions should be made, and have arrived at a figure that is substantially less than the amount provided by the Senate committee.

I believe everyone who votes for the amendment will share my confidence that it will not at all jeopardize the program, because there is already left over and unspent \$3,800,000,000.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HUNT. Was the distinguished Senator from Louisiana on the floor this afternoon when various members of the Committee on Armed Services expressed considerable apprehension about the building of our latest jet planes in Italy, practically in the back yard of our enemy?

Mr. LONG. Yes, I heard the discussion.

Mr. HUNT. It is possible that the amendment offered by the junior Senator from Louisiana would be just the difference in the appropriation that might prevent going through with the program of building the latest jet planes in, as I say, the very back yard of our enemy.

All of us are anxious about the possibility of, or the necessity of raising the ceiling on our national debt. Does not the distinguished Senator from Louisiana feel that the psychological effect on the people of the United States if it should be found necessary to raise the debt limit, would be of much more consequence than would a reduction in this particular appropriation bill by a little more than half a billion dollars? There, again, might be the difference which would prevent or make unnecessary the raising of the national debt limit.

I congratulate the junior Senator from Louisiana for having offered the amendment. I associated myself with him in offering his amendment when the authorization bill was before the Senate, so I am now glad to associate myself with him this evening in the bill actually appropriating the funds.

Mr. LONG. I thank the Senator. In line with the point made by the Senator from Wyoming only a moment ago, it is well to note that our distinguished majority leader, who I wish could be with us at this moment—I am informed he is a very sick man—issued a statement to the effect that the public was getting tired of this program, that the public

felt they were being imposed upon. He did not believe the American public would continue to stand for the enormous appropriations for foreign aid they were being asked to make. That was one of the most significant statements the distinguished senior Senator from Ohio has made in some time. The majority leader pointed out to us that he felt we were going to have to end the foreign aid program, because the public was not willing to continue to stand for these enormous appropriations.

We talk about the morale of the foreign nations. How about the morale of American taxpayers? It seems to me we should begin to pare down these appropriations.

Here is a reasonable reduction. In dollars it is the same amount the House Appropriations Committee recommended, after it had the advice of the President of the United States, after it had discussed the matter with him personally and had seen the urgent need, as emphasized by the able Senator from New York. The committee heard from the President himself. After having had made available to it the testimony of all the five-star generals, and all the other various officers who were available, realizing the plight of the Nation and the need for the program, the House recommended this much reduction—Republicans and Democrats alike. The House agreed to support the committee, even against the request of the President, and it seems to me that we should follow that advice in making this reduction.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McCLELLAN. Every time a bill comes before the Senate carrying appropriations for foreign spending we are told that we are going to wreck our security if we do not spend the money.

We were also told that this was a 2- or 3-year program, designed to get those countries back on their feet, to the point where they could carry on and be self-sustaining. But now, when we try to reduce the burden on our people and to taper off the program, we are again told, "You are wrecking the program; you are wrecking national security." Those are generalized statements which represent nothing on earth but the opinion of the individual, and are not supported by documented facts. They are never supported by documented facts. This is the same old scare and come-on.

A few days ago I stood on the floor of the Senate, when the Senate had before it the appropriation bill for the armed services, and I pleaded briefly with the Senate to increase the appropriation for the training of pilots. I would rather have 2,500 to 5,000 more well-trained pilots in America than to spend \$500 million over there in the fashion in which money is now being spent.

We would get far more security from 2,500 or 5,000 more trained pilots in America and 200 more bombers than we will ever get by spending \$500 million over there under this program in the fashion money is now being spent. It is difficult to place our finger upon any part of this program and say, "This is

where we are adding to and strengthening our security." We need to be practicable about this program.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. LONG. I shall be glad to yield in a moment.

The distinguished Senator from Arkansas [Mr. McCLELLAN] was not in the Chamber when we discussed the airplane construction program for Italy.

Mr. McCLELLAN. I know something about the program. I have heard about it outside the committee. It was not revealed to us in the Appropriation Committee, but information has come to us from the outside. That is what I am talking about. We have a program that cannot be laid out on the table and justified.

Mr. LONG. Mr. President, with regard to the proposal to construct our latest type fighter airplanes, our Sabres, in Italy, that is a country in which a third of the people are already voting Communist. I well recall, during the days of the Italian campaign, when the junior Senator from Louisiana was an ensign or lieutenant, junior grade—depending upon the particular time—that as our forces moved forward and we made our landings, we captured certain plants, and in short order our forces had the same plants again in operation, using the same Italian labor, to produce war material for our side rather than for the other side. That situation was particularly true at Palermo, where we cleared the huge drydocks and used the vast naval repair facilities. The Germans had made strenuous efforts to demolish those installations. They had tried hard to demolish Palermo. Our Navy soon had those plants operating full blast, producing war material for our side.

In this case we build a great plant in the area where one-third of the people are already sympathetic toward our enemies. If war should ever break out, our enemies would capture those plants and put the same plants to work, with the same labor, producing the very latest type of American fighter planes to be used against the United States. That does not make good sense to me.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MORSE. If the matter of the airplane plant for Italy was not discussed in the Appropriations Committee—and I understand from the statement on the floor that it was not—does the Senator from Louisiana know whether or not it was discussed with the Armed Services Committee?

Mr. LONG. I have no knowledge on that score. As the Senator knows, I am not a member of the Armed Services Committee. The distinguished Senator from Missouri [Mr. SYMINGTON] raised that issue on the floor earlier this evening, and it was discussed in colloquy between the Senator from Missouri and the Senator from New Hampshire [Mr. BRIDGES], the chairman of the Appropriations Committee. I had no knowledge of that project until I heard it discussed on the floor. It illustrates the type of thing I had in mind. We cannot neces-

sarily rely on this program to contribute to the defense of the Nation.

Mr. MORSE. Does the Senator know whether or not, from the standpoint of the production problem facing the United States, it is deemed necessary to build these planes in Italy? Or could they be built in the United States and meet the production schedule?

Mr. LONG. There is no doubt in my mind that we could build them much more quickly here. We necessarily must manufacture the machine tools here in the United States and ship them to Italy, set up the assembly line there, and teach the Italians to manufacture that type of airplane.

Mr. MORSE. Does the Senator agree with me that, from the standpoint of helping the economic productive power of Italy—and I think it is important that we build up the economic productive power of our allies, as a defense weapon for ourselves—it would be more helpful to Italy if the aid money went into the establishment of a productive plant which would produce civilian goods needed by Italy, both for home consumption and foreign trade, rather than into the production of nonconsumer goods such as jet fighter planes? Does the Senator agree with me that perhaps we ought to pause and look at the problem from that standpoint?

Mr. LONG. I would have to make reservations on that point. It seems to me that it is of advantage to have a program of offshore procurement. My judgment is that we should be careful in pursuing such a program not to produce such items as would be especially valuable to an enemy if he were to capture those particular plants. For example, if we were producing tanks, which the enemy would have great difficulty in transporting across the ocean to attack this Nation, or artillery shells, or something of that sort which would be used in the area, it seems to me that that type of offshore procurement would be more desirable than producing the type of thing which could be used for an assault on this Nation itself.

Mr. MORSE. If we are trying to build up the economy of Italy so that it can become more of a self-sustaining nation, we are not going to do it by building airplane plants or producing nonconsumptive goods.

Mr. LONG. The Senator's point is well taken. I only regret that I have not had more time to consider the point in that light.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DOUGLAS. Is it not true, however, that in Italy there are approximately 2½ million workers unemployed, or more than 10 percent of the working force, whereas unemployment in this country—at least at present—is negligible? So if we carry out a program of having the arms produced there, we put to work people who otherwise would be unemployed, and we utilize labor power which otherwise would go to waste. There is a military risk, I grant, but West Germany and Italy are really the only places within the free world where there

is an appreciable amount of unemployment.

Mr. LONG. I appreciate the Senator's argument. It is the opinion of the junior Senator from Louisiana that an article like jet aircraft should be produced exclusively here, insofar as we spend the money for it, because we then know that if the worst should come to the worst, all those airplane plants could be put to use to defend this Nation, and we would not have to try to destroy them after the enemy had captured them. Nevertheless, there is, of course, some merit to producing certain of the procurement items overseas.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MORSE. I think there is powerful logic in the argument of the Senator from Illinois, so far as the unemployment problem in Italy is concerned, compared with the still relatively good employment situation in this country, although unemployment here is increasing by leaps and bounds.

The Senator's point is that if we are going to have Italy produce military items for us, they ought to be such items as trucks, and possibly some munitions—items which are not quite so vital to our defense as are jet planes, although in a war there is still the need for the production of many types of goods which are civilian in nature, too, such as textiles, in the manufacture of which the Italians are especially adept, and other goods which can be used both for war-making purposes and for civilian purposes. It seems to me we ought to pay some attention to developing that kind of economic power for Italy rather than military productivity.

Mr. LONG. There is undoubtedly merit to the suggestion of the Senator from Oregon. The point I have in mind is that I would no more advocate the production of the latest model of an American jet fighter in an area in which the plant would be subject to quick capture by an enemy than I would advocate the building of plants to produce atomic weapons under the shadow of the Iron Curtain.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. JOHNSON of Colorado. The argument which the Senator from Oregon makes reminds me that in October, 1950, when I attended a conference of leaders of small industry in Paris, France, at the time the Marshall plan was in effect, one after another they expressed the same fear, namely, that the Marshall plan would change into a military production plan. That is what they were afraid of. They said, "If that is done, and if America leads in converting industrial plants we now have for the production of consumer goods into a military industrial plant, inflation will be ten times worse in our country than it is, because there will then be no consumer goods flowing into the channels of trade, which is a deterrent to inflation."

So the Senator from Oregon now is saying exactly what the industrial

leaders said prior to the changeover of the Marshall plan into a military plan.

Mr. LONG. The Senator from Colorado is correct, of course. He has given much study and thought to the subject. I believe it is well for us to realize that out of the funds we are spending on projects for the defense of Europe we cannot necessarily rely on any of the expenditures being used for the actual defense of the United States. We have a pact with those nations under which, if they are attacked, or if we are attacked, we go to war. Suppose, however, we have to go to war to fulfill our commitment to defend Japan. There is no commitment on the part of any of the other nations to the effect that they will be our allies and fight on our side. We would have to go it alone, and depend for help on the pitifully little police force of Japan.

Suppose war should break out in the Philippines, which we have a pact to defend, we would have to fight that war without the aid of the European countries, for whom we have spent \$40 billion in economic and military aid. The same situation would obtain in a war in Australia or in other areas of the Pacific, or if we had to fulfill a commitment anywhere outside the NATO area.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Missouri.

Mr. SYMINGTON. When I was with the Air Force we decided to build the air engineering development center in Tennessee, because the only other spot that might have been preferable, in the opinion of the military experts, was too close to a possible attack from the Soviets. That location nevertheless would have been many hundreds of miles farther away than would be any plant built in Italy.

The point I was trying to make was not whether it was necessarily sound to locate the plant there. My point is, do not think it right, inasmuch as we gave so much consideration to the location of plants in this country from the strategic standpoint, thousands of miles from the enemy, and yet the Mutual Security people come before the committee and give an extended off-the-record briefing to the Committee on Armed Services, without once mentioning the fact that they are creating a large production center in this foreign country a few hundred miles from the Soviet. They gave in detail the number of planes, and the countries in which they planned to have production—but they did not mention Italy, or their plans for plane production in Italy.

Mr. LONG. I wish the Senator from Missouri had prepared an amendment to assure the results he believes to be desirable, because I am completely in agreement with his logic on that subject.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. LONG. In a moment. I believe we should recognize the fact that we are spending in the neighborhood of \$7 billion a year to maintain our forces in the

North Atlantic area outside the United States. In addition, we are spending around \$5 billion for military aid to those nations. We have no assurance, if we are forced to fight a major power like the Soviet Union, that any of their forces would be available for the defense of the United States with which to fight that war. That represents one-fourth of the whole defense budget. If we add the mutual security funds to the defense appropriation, the total would run around \$40 billion. Yet more than one-fourth of the entire sum is committed to the European area, and reduces the amount available for the defense of our own Nation, for use by the Air Force, Army, and Navy. If we hope ever to balance our budget, I believe we will have to bear down in a large measure on the foreign-aid programs. It would seem to me that here we have an economy proposed by the House, which I believe is sound. I believe we would be wise to follow the lead of the House in this instance.

I yield to my good friend from New York.

Mr. LEHMAN. Mr. President, at a time when it is perfectly evident that the—

Mr. LONG. Mr. President, I yielded for a question. The Senator may speak on his own time. I shall yield the floor in a moment.

Mr. LEHMAN. I was just going to answer the Senator from Louisiana.

Mr. LONG. I hope the amendment will be agreed to. I yield the floor.

Mr. DIRKSEN. Mr. President, I sincerely hope that the amendment offered by my very distinguished friend from Louisiana will not be accepted.

First, I was a little curious as to how the amount in the amendment, namely \$4,014,000,000 plus, was contrived. I know that the Senator from Louisiana took all the Senate saving, \$548 million, and simply deducted it from the amount of money appropriated by the House.

If I am a judge of legislative language, the amendment is very badly drawn.

It reads:

Not to exceed \$4,018,023,783 of the aggregate amount appropriated by this act shall be available for expenditure.

I believe my friend has forgotten that a reappropriation is also an appropriation. If I read the amendment correctly, what it would actually do would be to reduce the estimated expenditures under the bill for 1954 by \$2,786,000,000, and if that did not ruin the the program nothing else would.

I hope the amendment will be rejected for a number of reasons.

I should like to answer a few statements which have been made in the course of the discussion. First, last year a billion dollars was cut out of the authorization. Let us not forget that President Eisenhower, in revising the budget, took more than \$2½ billion out of Mr. Truman's budget. That excision was done before the budget estimate ever got to Congress. So the President, having looked into the matter very carefully, and having evaluated it rather realistically, said to his associates in the

executive branch of the Government, "We will take \$2½ billion out of the estimates submitted to Congress by the predecessor President." That is infinitely more than the cut in the authorization last year.

If we want to cut the appropriations across-the-board, on the ground that the President should not have this much money with which to operate, let me remind the Senate of something. The President has been in the big house at 1600 Pennsylvania Avenue for 180 days. When he came there, he had an inheritance. It was not the most pleasing inheritance, and it was not of his contriving. He did not contrive the \$9,900,000,000 deficit. That was contrived before he got to 1600 Pennsylvania Avenue. He did not contrive the NATO organization. That was done by the Senate—and it was done before I came to the Senate. President Eisenhower did not contrive our membership in that organization. This body did that.

Congress has placed upon Dwight D. Eisenhower a number of obligations for which he was not responsible.

Congress has given him various other obligations, including, among others, the \$700 million deficit in the postal service. Ever since I served on the Post Office and Civil Service Committee, I have been studying how to get rid of that deficit and still stay in the good graces of those who use the mails. But President Eisenhower inherited that deficit. He did not create it.

He inherited the war in Korea. Ike Eisenhower did not put our troops there, in the first place—with the result that there was a constantly mounting loss of blood and treasure for a long, long time. We are thankful that the fighting there has ended. Let us give President Eisenhower credit for it.

The other evening, when I was watching the television, the announcement came that the truce agreement was being signed, and that 12 hours later the killing would stop. When that announcement came over the television, I thought of the day in 1945 when I was sitting in my humble home in Pekin, Ill., and was getting ready to go to a meeting which I was to address. At that time the news of V-E Day came. I searched my mind for something appropriate to say on that occasion. It seemed to me that the most appropriate thing I could say was what was said many centuries ago in a land in the Near East, when a humble man was upon a cross, and vinegar was placed to his lips, and He said, "It is finished."

Mr. President, in Korea the blood letting has finished, and we thank God for it. Certainly President Eisenhower has made some progress. That situation is recognized in this bill, because it includes an item of \$700 million for Korean reconstruction. We would not touch that item, and we should not, because of the psychological effect upon the truce negotiations and the widespread hope that something durable will come from the truce.

So there have been some inheritances. One of the inheritances was the foreign-aid program. President Eisenhower did

not create it. Congress created it. I suppose I have voted against it on various occasions, in one way or another. I hope no one will charge me with inconsistency, because if I am, I suppose I shall have to quote the words of Emerson—

A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines.

So, Mr. President, I do not wish to be pilloried by being charged with inconsistency and with having voted sometimes one way and sometimes the other upon occasion.

It was in June 1947 that a great soldier, in making a speech at Harvard University, uttered a few words which became the most expensive few words in the history of mankind or in the history of the English language. That was when George Catlett Marshall launched, with just a few words, the so-called Marshall plan.

Since that plan has been in operation, I have visited Europe and have examined some of the operations under the plan. A number of other Members of Congress and a number of other persons have done likewise. Many of us engaged in some research in Europe in that connection. We found that a great deal of waste existed, and we have discussed that subject from time to time.

However, when it was said that the developments under that plan were not quite so responsive as desired, in 1949 there came the North Atlantic Treaty Organization. We belong to that organization. The Senate voted—and many of those who presently are Members of the Senate were Members of the Senate at that time—to have the United States join that organization.

So that is another obligation that rests upon the very humble man and the great soldier who now is in the White House. Every Member of Congress who voted for United States' participation in the North Atlantic Treaty Organization bears a responsibility for placing that obligation upon the President.

Then came the mutual-security program. Some Members of Congress voted for it; others did not. Those who did vote for it placed that additional obligation upon the President of the United States. So that is a legacy and inheritance and rather distasteful devise which comes from prior administrations.

So, Mr. President, when we consider what President Eisenhower inherited and when we consider the obligations that are on his doorstep, I think there should be some compassion for the position he is in.

He has a job to do. That obligation will continue to be his, so long as the United States remains a member of the United Nations Organization. The United States still belongs to the U. N., and the appropriation bill now before us includes appropriations for the U. N. We are still wedded to the so-called international-development program, which is better known as the point 4 program. It was dealt with in one paragraph of President Harry Truman's state of the Union message. In pursuance of that program, Congress—this body and the other body—voted the point 4 program

into law. As a result, Congress has said, "Mr. President, this is an obligation."

So, now the President comes humbly to Congress, by means of his spokesman, and submits the figures bearing on that obligation, and simply says to Congress, "I shall need this much money to discharge this obligation."

Mr. President, I suppose I was just as articulate as anyone else in the 1952 campaign. I went around with a broom, as a symbol of the cleansing of the citadel. All that was done in high spirit, without spleen or ill temper. Sweeping out the kitchen is one thing, but sweeping out the citadel of government is quite another, because the Government operates under law; and Congress has fashioned the law and the obligations under which the President of the United States has to work.

The President has made his request of Congress. First he cut \$2,500,000,000 from the Truman budget. The reduced amount was included in the budget when it was submitted to Congress. Later it was revised. The revised estimate came to this body and to the other body. The other body cut out \$1,115,000,000. I do not quarrel about what the House does. I served on the House of Representatives Appropriations Committee for 12 years. I know what goes on over there. I think I can point out figures in this bill to demonstrate that perhaps some Members of the House were simply arbitrary. That was the bill with which we had to work.

So the Senate Appropriations Committee has voted to restore \$548,000,000 of the reduction. I think that makes a rather good bill of it.

But the proposal of the Senator from Louisiana—and I say this in all kindness to my friend and associate from the great State of Louisiana—

Mr. LONG. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. LONG. I believe there is some merit to the Senator's point, as a technical matter. Therefore, when the Senator from Illinois concludes his speech, I shall ask unanimous consent to modify my amendment, in order to make sure that it will accomplish the purpose I have explained to the Senate.

Mr. DIRKSEN. Very well.

Mr. President, of course in dealing with appropriations we always have to be careful. The \$548 million which represents the saving recommended by the Senate committee is deducted from the new money voted by the House to be appropriated. The fact of the matter is that only \$123 million of new money is included in the \$548 million. The other \$425 million constitutes unobligated balances. We did not touch them. There is a reason why we did not.

I have heard the discussion about all of the unexpended funds. They are required because of the lead time necessary to produce such things as tanks and airplanes. We must consider the lead time required from the time when a draftsman begins to prepare the drawings for a tank until the time when the tank rolls off the assembly line. I do not know a great deal about that, for I am

not an engineer or an expert in that field. However, I can make a guess, because of the days when I was in the contracting service. Perhaps it will take 7 years to do that job. Some vessels are covered by this bill. How long a lead time is required for their construction? Perhaps a year or 2 years or 3 years. A program of this sort does not spring, Phoenix-like, from the brow of Jove; it takes time. So lead time must be allowed for.

Our distinguished colleague and friend, the junior Senator from Missouri [Mr. SYMINGTON], who formerly was the head of the Air Force, can tell us about that. He knows it takes a long time, after the plans are drawn up on the drafting board, before a bomber is completed and rolls off the assembly line.

So unexpended balances are required in order to keep the program and the production going. If it were not for them, any program would be merely a lot of ups and downs, with a little delivery now, and then no delivery, and later considerable delivery, and later none. But such an arrangement would not result in a good program. Certainly if we were called upon for a military operation, it would be impossible to operate on such a basis.

That, it seems to me, is the whole story. We have gone through this thing pretty carefully, and I hope the Senate will resist any effort to cut the money provided in the pending bill. Having met the House amount only a little bit less than half way, it looks to me like an effective compromise; and we hope it will be fair to the President of the United States, who did not create the problems, who did not create the obligations, who did not create the commitments, but who inherited them from your President and mine, the predecessor President.

I cast no aspersions whatever. I simply say that, considering what the President has done and what we have put upon his shoulders, he richly merits what is in the pending bill, so that, with the same success he has thus far achieved in stopping the grisly blood-letting in Korea, he may be able to set a pattern and to provide a foundation in Europe that will lead, in the not too distant future, to such economies in the military budget and the foreign-aid budget that we can almost cut the appropriation in half, and may look once more to the day when there will be a substantial reduction in taxes.

I earnestly hope that the amendment will be voted down, and that all amendments which would cut below the Senate committee's figure, which we deem to be fair on the basis of the testimony—and there were tons of it, some off the record, some on the record—will be resisted and the bill in its present form sent to the conference, to work its will.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield for a question?

Mr. DIRKSEN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Possibly the Senator has already covered this suggestion, but is it not true from the point of view of the armed services, and from

the point of view of a member of the Armed Services Committee, that the great bulk of the money included in the bill is for military aid?

Mr. DIRKSEN. That is correct.

Mr. SALTONSTALL. It is for our own security in this country, is it not?

Mr. DIRKSEN. I might repeat what I mentioned earlier this afternoon, that always we endeavor to keep in mind how much aid can be obtained for the least number of dollars. Let me illustrate that, because there is an amendment on the desk which, if called up, is going to provide that 50 percent of the shipbuilding provided in the bill shall be done within the continental United States. The answer is very simple. There are 48 minesweepers provided for in the pending bill, representing \$127 million. If that is cut in half, we shall get 7 or 8 fewer minesweepers for the same money. If that is what we want, we can take our choice.

Mr. CAPEHART. Mr. President, I dislike very much to be in disagreement with my friend from Illinois, because I am going to support the reduction, and I shall state why.

The able Senator from Illinois had made a strong plea to uphold the President of the United States, on the theory that the President inherited the condition that confronts the country; that we, the Congress, passed the NATO bill, the MSA bill, originally, and that we must give the President the tools with which to work; therefore we must uphold his hand. That is the Senator's plea.

Mr. President, I intend to state that I, too, am interested in upholding the hand of the President of the United States. I, too, am his friend; and in my opinion the best thing we could do for the President of the United States would be to reduce the expenditures, and to reduce this appropriation, in order that he may balance the budget, in order that he may save the financial structure of the country.

I can think of nothing worse that could happen to my President and to your President, a Republican President or a Democrat President, than to have this great Government of our get into financial difficulty, get to the point where it was impossible to balance the budget. It may well be that we shall have a decline in business, we may have a reduction in tax receipts even at the high rate at which taxes are today. Instead of collecting \$74 billion or \$70 billion, whatever return is estimated this year, it might well drop down to \$60 billion, \$55 billion, or possibly \$50 billion. We would then have a deficit of fifteen or twenty or twenty-five billion dollars.

Mr. President, I would much prefer, personally, to defend and protect and be a friend of and helpful to the President of the United States, in making certain that we maintain the financial stability of the country, and do not have to default on our bonds one of these days, than I would to spend an extra billion dollars on this particular appropriation, and an extra \$2 billion in some other way, and an extra \$500 million on something else.

I say, Mr. President, that the greatest favor that can be done by the Senate to

the President of the United States would be to assist him in maintaining a sound economy. Nothing could be worse for the President, for the Congress, or for the people, than to have our Government get into financial difficulties. I may say now that we are almost up to that point.

We were discussing these matters this afternoon. The able Senator from Virginia started the colloquy, or started the speeches—and rightfully so—by calling on us to face the fact that the national debt is \$272 billion, and that the administration at the moment is considering whether it should ask the Congress, before the end of the session—and let us hope we shall be able to leave by Friday night—to increase the debt limit from \$275 billion to possibly \$300 billion. We have had a \$9 billion deficit during the past year, and I understand it will be possibly seven or eight or nine billion dollars next year; and that is on the basis that we shall collect \$65 billion to \$70 billion in taxes at the high rates which are now in effect and which are almost unbearable.

If one wants to be a friend of the President of the United States, if he wants to uphold the President of the United States, if he wants to be a friend of the American people, then let him labor to maintain the financial stability of this Government. He will then prove himself to be a real friend of the President. He will be doing something worth while.

I have forgotten at the moment the amounts which have already been appropriated for MSA and are unexpended, but several billions of dollars have already been allocated and appropriated which are yet to be spent. My personal opinion is that if we did not appropriate a single dime, there would still be sufficient in the appropriations and authorizations to enable us to carry on in the foreign countries.

So I say, Mr. President, if Senators want to be friends of the President of the United States, if they want to make certain that he will not have the greatest headache any President has ever had, if they want to be friends of the American people, if they want to accept their responsibility—and it is their responsibility, the responsibility of nobody else—then they will vote to reduce this appropriation, as they will vote with respect to other appropriations, and make certain that the stability of the Government is maintained. I assert that there can be nothing worse than to have a Government that becomes involved in financial difficulties, and there is a possibility that the tax returns, based on taxes at high rates, might well decline within the next 12 months, or within the next 24 months.

So, Mr. President, I see this is an entirely different light from that in which the able Senator from Illinois sees it. He wants to uphold the hands of the President of the United States by appropriating \$5 billion, because he inherited NATO and inherited MSA, and other things. I am just as sincere and just as anxious to uphold the hands of the President of the United States as is any other Senator, but I say we can best uphold his hands, we can be a better friend of his, by making certain that he

is not faced with a financial situation some of these days, which would be a worse headache than any of which I can conceive.

Mr. WELKER. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. WELKER. Did the Senator from Indiana understand the remarks of the Senator from Illinois as I did, that since the President inherited these problems, we had better spend this money to carry on the program? If that is the true sense of the statement made by the Senator from Illinois, I should like to ask my distinguished friend from Indiana how long we should continue this program—10, 20, 30 years?

Mr. CAPEHART. I have heard it said that next year we shall have to do the same thing, and I assume that we will have to do it 4 years from now if a different President should be elected. We shall have to uphold his hands because he inherited the situation.

All I want to say is that in my opinion, if we want to be a real friend of the United States, we will make certain that the appropriations we make will enable the President to balance the budget, and make certain that this country shall not get into financial difficulty. It could well happen, and if it does happen, we must accept 100 percent of the responsibility, because we, and we alone, control the purse strings.

Mr. LONG. Mr. President, the point was made that there might be some technical question about my amendment with regard to the unobligated funds carried over. Therefore, Mr. President, I ask unanimous consent that I may modify my amendment in the fashion which I shall ask the clerk to read at the desk.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Louisiana, as it is proposed to be modified.

The LEGISLATIVE CLERK. It is proposed, on page 12, between lines 16 and 17, to insert the following:

SEC. 107. Not to exceed \$6,196,688,179 of the aggregate amount appropriated by this act shall be available for obligation.

The PRESIDING OFFICER. The amendment is modified as requested by the Senator from Louisiana.

Mr. LONG. Mr. President, do I correctly understand that the yeas and nays have been ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered, and will apply to the amendment as modified.

Mr. KNOWLAND. Mr. President, I think this is one of the key amendments to the bill and it is one which the Senate should very carefully consider. I appeal to Members on both sides of the aisle to take a look at the picture confronting us tonight and also confronting the President of the United States.

The distinguished Senator from Illinois [Mr. DIRKSEN] has pointed out that already the amount requested has been reduced under the request of former President Truman by approximately 33 percent. The present President of the United States has been in office only a little more than 6 months. In that period of time great events have taken

place in the world. Josef Stalin has died in the Kremlin. There are indications that with the purge of Beria there are tremendous strains and stresses taking place within the Kremlin. If there was ever a time in the history of this Nation when it was important for America to be strong, to be firm, and to present a united front to the free world, now is the time.

This is the place where the slightest degree of weakness in the face of the ruthless men in the Kremlin might encourage them and give them comfort to the point where they could consolidate their position not only within the Soviet Union, but in the entire Communist world, whereas, if, tonight, the Senate stands firm with the administration and shows that there is no weakening upon our part, no man can tell what the stresses and strains may finally do to international communism with its Godless tyranny crashing down throughout the world.

The distinguished Senator from Indiana, for whom I have the highest regard and respect—and I know he is as conscientious and devoted to his duties as is any other Member of the Senate—has said to the Senate that nothing can be worse than not putting the budget in balance. I admit that is tremendously important. I admit that the distinguished Senator from Virginia [Mr. BYRD] over a period of years has pointed out the need for having a sound Federal Government and a sound financial structure, because it may well be that we shall be facing the menace of international communism not for 1 year, not for 2 years, but perhaps for 5 years or for 10 years. But I cannot agree with the statement of the Senator from Indiana that nothing could be worse than difficulties in our fiscal affairs.

Mr. CAPEHART. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. CAPEHART. If we get into financial difficulties in this country, the very thing of which the Senator is afraid and of which I am afraid, will happen. The Socialists and the Communists will move in, and we will have no way of protecting ourselves. We would not be strong if we had no money.

Mr. KNOWLAND. I think every Senator on both sides of the aisle realizes the importance of keeping a sound Federal Government and a sound economy. But there are many things that are worse than an unbalanced budget. Those who live in Czechoslovakia behind the Iron Curtain and who have had their freedom taken from them realize that their condition is far worse. The millions of people in Russia who are living in slavery under a Godless Communist tyranny endure much worse conditions. The 450 million people of China who have lost their freedom are much worse off. It is likewise true of the people of Poland who had their freedom when I visited that country in 1947, but have since lost it. Their democratic leaders have been either liquidated or sent to the salt mines in Siberia, and the people have lost their freedom of religion, their entire economic systems, and their entire political

system. All that, is much worse than an unbalanced budget.

When we say that nothing can be worse than an unbalanced budget, I do not think the history of the world will support the statement. I do not say that if we accept the amendment of the Senator from Louisiana we will destroy the entire fabric of our mutual defense system, but I say tonight, with the deepest conviction I possess, that I think if we are devoted to the theory that we are going to maintain a free world of free men we dare not show to those in the Kremlin the slightest weakness at this hour through which we are now passing.

I do not say tonight, Mr. President, that the cease-fire that the President of the United States and the United Nations have brought about in Korea means peace for this troubled world. I wish it did. I wish I could stand here and tell the Senate that I think we have solved all the problems facing the world by the cease-fire, but, in candor, I cannot say that. I think perhaps we have only opened Pandora's box, and problems which seemed great yesterday may seem insignificant when compared with the problems we must face tomorrow and the day after tomorrow.

I do say that if today we show the slightest weakness to the ruthless, Godless men in the Kremlin, they will take advantage of it. They will attempt to divide us from our allies. They will attempt to follow the usual Communist technique of divide and conquer.

No; for the saving of \$500 million, I think we might be selling the birthright, not of ourselves, because we have only a limited period of time to live in this troubled world, but of those who are to follow us. The men who founded the Constitution of the United States did not think only in terms of their generation. They thought in terms of generations of Americans who would follow them, even until this day, and of those who will follow us.

Within the last 48 hours I have received news that I have a new grandchild in California. We are not meeting this problem for our generation; we are meeting it for our children, their children, and the countless Americans who may for a thousand years follow us.

If we do not today, and in the weeks, months, and years immediately ahead of us, show strength, courage, and resolution—resolution far greater than the men in the Kremlin can show—we can lose the whole heritage that has been given to us by the Founders of the Republic.

I have spoken to the President of the United States in person, and I know he feels that for every dollar spent in this program, \$10 will be saved in our own Defense Establishment. I do not know whether he is right, but I do know that two former Presidents of the United States had sufficient confidence in him to call him to high positions of responsibility. He headed our supreme command in Europe, and led our American forces to victory over Nazi Germany. He breached the defenses of Europe on the shores of Normandy, and carried on

without stopping until our forces were in Berlin, and the Nazi tyranny had been brought to its knees. There may be others who have more knowledge of military facts than does President Dwight Eisenhower. But if there are, I do not know who they are. There may be men who have a substantial amount of knowledge of military affairs. I do not know one who would disagree with what the President believes in regard to the importance of this program.

I do not believe the President of the United States would claim to be infallible. No man has a crystal ball with which he can predict with certainty either what the men in the Kremlin will do or what the course of history will be. But only a short time ago the American people called President Eisenhower to the highest position in the land. He took his oath of office a little more than 6 months ago. He and all of his constitutional advisers believe that the sum of money requested is necessary for the proper conduct of the foreign policy which he has taken an oath to administer on behalf of the American people.

It may be that the President has asked for a few dollars too much here, or a few dollars too few there. But we in this Chamber cannot administer the funds. That is not our responsibility. We are the legislative branch of the Government of the United States. I dare say there have been few Presidents in the history of the country who have faced greater problems of fiscal affairs, and President Eisenhower understands that. He knows he has inherited perhaps the most difficult task any President of the United States has been called upon to inherit. The national debt was more than \$270 billion as he raised his hand to take the oath of office as President of the United States.

The budget presented by his predecessor, on its face, disclosed a deficiency of more than \$9 billion. When action has been completed on appropriation bills, there will have been a reduction between the administration and Congress, of more than \$12 billion from the budget presented by former President Truman. If that had not been done, the debt would have been that much greater, the problem of debt limitation would have been that much greater, and the problem of taxes would have been that much greater.

At least, we must give the President credit for trying. He knows the great problems we face. Yet, confronted with those facts, he believes the amount of this appropriation is essential to conducting the foreign policy of the United States. He knows that if we guess wrong in the field of foreign affairs, we will have not only unbalanced budgets; we may lose our freedom, our lives, our country, and have no nation to pass on to our children and those who follow us.

As a member of the Committee on Appropriations, I think I have been as cognizant of the tremendous fiscal problems facing the United States as has any other Senator in the Chamber. But I cannot help saying tonight that I think it would be deadly, costly economy if this appropriation were cut by \$500 million,

and if that were interpreted by the Kremlin as being a sign of weakness on the part of this Nation.

I leave the decision to the United States Senate. In all Communist nations and their satellites there is restlessness. The people of Czechoslovakia want to be free. I have been in Czechoslovakia. Those people want no domination on the part of the Soviet Union.

The people of Poland are tired of being dominated by either Germans or Russians. There is tremendous restlessness in that area of the world.

In Hungary, Bulgaria, Rumania, China, and other places, there is tremendous restlessness.

Let us not jeopardize the great challenge we have before us today. I believe when the vote is finally taken, the Senate will reaffirm, as it has time and time again, regardless of the cost, regardless of the consequences, our determination, insofar as we can make our contribution, as the late great Senator Vandenberg pointed out, to help maintain a free world all over the earth.

SEVERAL SENATORS. Vote! Vote!

Mr. WELKER. Mr. President, I know the Senate is tired. I do not wish to pose as an expert on fiscal affairs, but in my short term in the United States Senate have heard the same speech made over and over again about the duty we owe to spend millions and billions of dollars for overseas help and aid.

Mr. President, I thought we were voting for a change in November last year. I thought it was said that if we got a change, one of the changes would be to effect more economy in Government.

I am not impressed with the argument that simply because President Eisenhower inherited the plans passed by the Senate, it is necessary to continue, ad infinitum, to pour out billions of dollars throughout the world.

I believe I recall correctly the words of one Stalin, who said, upon occasion, "We will cause them to spend themselves into bankruptcy. We will bleed them white from within, and we will take them without firing a shot."

I know there is a ruthless, Godless tyranny that is trying to take over all freedom-loving peoples. But, at the same time, the American taxpayer is being "taken" every day. I cannot understand anyone who can sit as a Member of this body and not have some sobering thoughts when listening to the great speech, that terrible speech to hear, because the words were true, coming from that great, able, fine statesman, the senior Senator from Virginia [Mr. BYRD]. Nor can I understand how we can refuse to give credence to the views of the House of Representatives, which also has in its membership some thinking men. We have no monopoly on brains in the United States Senate. The House thought, after taking testimony on this question, that a cut could be made. I say that a cut could be made.

I know that Senators are tired, but let me give a quotation from the Scriptures:

But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel.

Taxes must be reduced. It is time for us to make a start. I am sure that if we do not start now, in January we shall hear the same theme song. We shall hear it as long as we are Members of this body. Pretty soon it will be too late.

Those who missed the speech of the senior Senator from Virginia [Mr. BYRD] should remember that there is to be a breakfast in the morning at which the representatives of the American people are to be asked to raise the debt limit to \$275 billion. Remember the words of Morgenthau a few years ago—it seems—when he said that the economy of our Nation could stand a debt of some \$40 billion? How far have we gone?

There are some people back home thinking about us tonight. There are some people who wonder what we have done in the greatest deliberative body in the world since we have been here for the past 6 months. It is about time to start thinking of those people, because when we go bankrupt, as we may well do, it will be far too late.

I pray that the pending amendment will be adopted.

Mr. ELLENDER. Mr. President, I have on my desk three amendments which would reduce this appropriation bill by \$671,800,000. The pending amendment would not cut the appropriation quite that much. The argument which I would have advanced in support of my own amendments, I shall make in support of the pending amendment.

I have been a Member of the Senate for almost 17 years. I was here when the Marshall aid plan was created. I heard the same arguments then as we are hearing tonight.

Some people do not seem to realize the size of our enormous debt. Do Senators know how long it would require the 96 Members of the Senate to count our debt if each Senator were to count at the rate of 2 1-dollar bills a second, 24 hours a day? It would require 96 Senators 45 years to count our present debt if each Senator counted at the rate of 120 1-dollar bills a minute. Let me picture it another way: If our national debt in the form of 1-dollar bills, were placed end to end, it would make a ribbon that would stretch around the world 1,000 times.

Mr. President, when I came to the Senate in 1937 the amount of money appropriated annually to operate every department of Government—including the retirement of the then existing debt—was only \$1,200,000,000 more than is now required merely to pay the annual interest on our debt alone.

I am in full agreement with the statement made by my distinguished friend from Indiana [Mr. CAPEHART] when he said that if we continue to spend, and spend, and spend until we are bankrupt, we shall provide within our own borders a fertile field for communism, socialism, and every other kind of "ism."

It is my considered judgment that if ever our great country should fail to make available to our own people their basic needs—within their ability to pay—we shall be in for trouble. Con-

tinuous, and thoughtless spending will lead us into that kind of trouble.

We have heard a great deal about the Marshall plan. Why was the Marshall plan placed on the statute books? When General Marshall, at Harvard University, stated that if we should spend between \$16 billion and \$17 billion in aid for our friends across the seas, we would make it possible for them to recover economically—both industrially and agriculturally—to the level that existed previous to the war.

Mr. President, we spent the money recommended by General Marshall, and much more. The pending bill is, to a large degree, simply in the nature of a continuation of the old Marshall plan.

I have on my desk excerpts from the testimony taken before the Senate Appropriations Committee in 1950, when Mr. Paul Hoffman was Administrator of ECA. What position did he take with respect to this plan? He was asked when we might withdraw from the plan. I read from the testimony of Mr. Hoffman:

Senator CORDON. Now, Mr. Hoffman, let us assume success at the end of 1952. Let us assume that your target, which I believe is 130 percent of prewar production, has been achieved at that time.

Mr. HOFFMAN. I think it goes a little less than that; I think it is about 125 percent, Senator.

I say this because I see no way in which our tax burden can be reduced substantially unless the threat of war and the consequent necessity for maintaining an abnormal Military Establishment is reduced. This economy cannot go on indefinitely spending \$15 billion or more a year for military defense.

Mr. President, that amount was exceeded long ago; we have spent a great deal more than that.

Mr. Hoffman continued:

The surest way I know of to reduce the danger of war so that we may reduce our Military Establishment is to carry on the recovery program, to the point where a free and self-sustaining and unified Europe is able to play its full role in cooperation with the United States and other free countries in maintaining the peace and prosperity of the world.

That was Mr. Hoffman, former head of ECA, speaking. He said, in other words, that the moment we got the countries of Western Europe to the point where their industrial production was 125 percent of prewar, we could cease pouring our treasure into foreign lands.

What is the picture today? I have it before me. We spent tremendous amounts of money in Western Europe. We spent that money in the hope that we could increase the industrial capacity of those countries, so that they could assist us, rather than to continue being the recipients of assistance from us. Our objective was aimed at creating healthy allies, allies that could be of help to us in the event the worst should come.

That point has been reached and exceeded long ago, Mr. President.

This is the record with respect to industrial production: Considering 1938, prewar, as 100 percent, the average for the NATO nations, the ones we are being asked to assist here, rose in 1948 to 116 percent of prewar. In 1949 it reached

126 percent. In 1950 it was 135 percent. In 1951, 145 percent and in 1952, 143 percent.

That is the picture. We have gone far beyond the expectations of Mr. Hoffman. We have assisted the countries of Western Europe to the point where today they are producing far in excess of what they ever produced before the war. Yet in the guise of mutual security we are being asked to further implement the economy of those countries.

Mr. President, I ask unanimous consent that the entire table showing the record of industrial production among European nations be incorporated in the RECORD at this point as part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Industrial production
(Index 1938=100)

Country	Total industrial production						
	1938	1948	1949	1950	1951	1951 ¹	1952
NATO countries:							
Belgium-Luxembourg	100	122	122	124	146	143	139
Denmark	100	135	143	159	162	157	149
France	100	111	122	123	138	139	146
Iceland	100						
Italy	100	99	109	125	144	144	140
Netherlands	100	114	127	140	148	147	148
Norway	100	125	135	146	154	154	154
Portugal	100						
United Kingdom	100	120	129	140	146	143	139
Total NATO	100	116	126	135	145	144	143
West Germany	100	50	72	91	109	113	121
Total NATO and West Germany	100	97	110	121	134	134	136
Other OEEC countries:							
Austria	100	85	114	134	148	134	136
Greece	100	76	90	114	129	130	130
Ireland	100	135	154	170	176	176	171
Sweden	100	149	157	164	172	170	169
Switzerland	100						
Turkey	100	154	162	165	169	179	208
Total OEEC countries	100	99	112	124	136	137	138

¹ Revised figures.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Colorado. I read from the Mutual Aid Act of 1953 hearings the following:

Senator FERGUSON. Would you say there is no end to mutual assistance as far as Greece is concerned?

General STEWART. I am afraid that in the case of Greece that is a reasonable statement.

Mr. ELLENDER. The Senator is correct. There will be no end. Mr. President, when we talk to our own representatives who come before the Committee on Appropriations—and they are Americans, let us remember—they come before us and make a better case for those foreign countries than the foreign representatives themselves could do. The countries we are now helping could not send people over here who would make a better case than is made out by our own representatives. Our people

ignore our own debt. They do not seem to realize that they create the impression abroad, evidently—or at least the people abroad do believe—that money grows on trees in the United States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. It has been my privilege to visit many of those countries. I want to say to my colleagues that when we impart to the leaders of those countries the fact that every dollar we have been advancing by way of aid during the past 8 years has been borrowed money, they cannot believe it. They are scared to death that if the United States becomes bankrupt the whole world will be in darkness.

It strikes me that we ought to take inventory now of our own financial condition before we further weaken our economy.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to my colleague.

Mr. LONG. I should like to ask my distinguished colleague when the experts are brought back from overseas to testify for an additional \$5 billion or \$6 billion of aid to Europe each year, if they would not do well to go around our own country and see the condition

we are in, before they decide we should provide additional money.

Mr. ELLENDER. I am satisfied that if the representatives of the foreign countries we are being asked to help were to come here and learn the facts about our own economy, they would not be prone to ask for as much as our own representatives are suggesting we furnish.

Mr. President, I gave the picture a moment ago of European industrial production. Some countries have made progress to the extent of 172 percent of prewar. Yet those countries are today asking for more aid from our Nation—a Nation with a debt of over \$272 billion.

They do not need more help. They are in good shape. Let us take agricultural production, for example. With prewar production considered as 100 percent, for 1952 the figures are: Belgium, 109 percent; France, 109 percent; Germany—Federal Republic, 115 percent; Italy, 115 percent; Netherlands, 115 percent; Denmark, 114 percent; Norway, 114 percent; United Kingdom, 125 percent.

I ask unanimous consent that the table be incorporated in the RECORD at this point, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II-1.—Agricultural production: Indices of gross output

[Prewar average=100]

Country	Prewar	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53
European defense community:							
Belgium	100	83	92	103	108	107	109
France	100	84	100	102	108	105	109
Germany (Federal Republic)	100	73	84	97	108	112	115
Italy	100	92	98	106	109	116	115
Netherlands	100	73	91	108	113	112	115
United Kingdom and northern European countries:							
Denmark	100	84	94	108	116	112	114
Norway	100	93	102	111	116	115	114
United Kingdom	100	94	108	111	119	120	125
Southern European countries:							
Greece	100	85	82	106	92	107	102
Portugal	100	111	103	107	114	123	109
Turkey	100	100	121	109	122	148	150
Austria	100	66	72	80	91	97	100
Ireland	100	84	90	98	98	100	102
Sweden	100	104	114	120	121	116	118
Switzerland	100	90	99	100	110	105	110
Total OEEC countries ¹	100	86	97	104	110	113	115
Spain	100	97	86	90	92	117	107

¹ Excluding Luxembourg and Iceland, Feb. 24, 1953.

Source: Report to Senate Foreign Relations Committee and House Foreign Affairs Committee—Basic data supplied by the executive branch, 83d Cong., 1st sess., June 5, 1953.

Mr. ELLENDER. Mr. President, I spoke of that foreign aid awhile ago. Do Senators know that since July 1, 1945, through March 31, 1953, we have spent for economic aid in Western Europe and dependent areas alone a total of \$24,017,000,000? We have spent in other European countries—Czechoslovakia, Poland, U. S. S. R., and other countries—a total of \$1,087,000,000 during that same period.

In the Near East and Africa we have spent a total of \$329 million.

In Asia and the Pacific area we have spent a total of \$5,186,000,000. Of course, that includes Japan and other countries in Asia. Japan and the Ryukyu Islands received \$2,123,000,000.

In the American Republics we spent \$529 million.

Expenditures in all of these areas represents a grand total of \$32,090,000,000 for foreign economic aid through grants and credits during the postwar period from July 1, 1945, through March 31, 1953.

I ask, Mr. President, where is the end?

Are we going to continue to send our treasure abroad and eventually bankrupt ourselves?

Mr. President, I ask unanimous consent that the table showing economic-aid expenditures by area be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Foreign economic aid (grants and credits) during postwar period July 1, 1945, through Mar. 31, 1953

(In millions of dollars)

(Figures rounded; will not add)

Western Europe and dependent areas:	
Austria: Net foreign aid.....	971
Belgium-Luxembourg.....	739
British Commonwealth: United Kingdom.....	6,655
Denmark.....	279
Finland.....	90
France.....	4,718
Germany.....	3,745
Greece.....	1,162
Iceland.....	27
Italy.....	2,527
Italy.....	2,527
Netherlands.....	1,066
Norway.....	288
Portugal.....	47
Spain.....	43
Sweden.....	109
Trieste.....	44
Turkey.....	216
Yugoslavia.....	552
Other and unspecified Western Europe.....	595

Total Western Europe and dependent areas..... 24,017

Other Europe:	
Czechoslovakia.....	188
Poland.....	436
U. S. S. R.....	426
Other countries.....	36

Total other Europe..... 1,087

Near East and Africa:	
Egypt.....	8
Iran.....	34
Israel.....	226
Liberia.....	23
Saudi Arabia.....	14
Union of South Africa.....	-63
Other and unspecified Near East and Africa.....	85

Total Near East and Africa..... 329

Asia and Pacific:	
Afghanistan.....	18
Australia.....	-2
Burma.....	16
China-Taiwan (Formosa).....	971
India.....	223
Indochina.....	43
Indonesia.....	204
Japan and Ryukyu Islands.....	2,123
Korea.....	754
New Zealand.....	6
Pakistan.....	17
Philippines.....	786
Thailand.....	14
Other and unspecified Asia and Pacific.....	14

Total Asia and Pacific..... 5,186

American Republics.....	529
Canada:	

International organizations and unspecified areas.....	932
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Grand total..... 32,090

Taken from report prepared by Department of Commerce for use of Congress. Basic data through Mar. 31, 1953.

Mr. ELLENDER. Mr. President, I have given the total figures for economic aid. The total sum for all types of foreign aid from July 1, 1940, through March 31, 1953, aggregates \$80,265,000,000, of which \$40,961,000,000 was spent during the war period 1940 through 1945, and \$39,903,000,000 during the postwar period, July 1, 1945, through March 31, 1953.

I ask unanimous consent that the table showing these expenditures be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

United States foreign aid, war and postwar period	
Total foreign aid, July 1, 1940, through Mar. 31, 1953.....	\$80,265,000,000
War period (July 1, 1940, through June 30, 1945).....	40,961,000,000
Postwar period (July 1, 1945, through Mar. 31, 1953).....	39,303,000,000
Economic aid.....	32,090,000,000
Military aid.....	7,213,000,000
Western Europe:	
Economy aid.....	24,017,000,000
Military aid.....	5,270,000,000
	29,288,000,000

Source: Department of Commerce, Office of Business Economics publication, Foreign Aid, basic data through Mar. 31, 1953.

Mr. ELLENDER. Mr. President, since we now have a total debt of over \$273 billion, it would be wise for us to look at the national debts of some of the countries we have assisted, as compared to our own national debt. I have the figures as of December 31, 1952. Belgium-Luxembourg: Total public debt, \$5 billion; per capita debt, \$553. France: Total public debt, \$13,609,000,000; per capita debt, \$319. Italy: Total public debt, \$5,839,000,000; per capita debt, \$123. The Netherlands: Total public debt, \$6,236,000,000; per capita debt, \$597. United Kingdom: Total public debt, \$71,072,000,000; per capita debt, \$1,396. Denmark: Total public debt, \$1,276,000,000; per capita debt, \$295. Germany: Total public debt, \$6,030,000,000; per capita debt, \$124.

The United States: Total public debt, \$267 billion. That was as of December 31, 1952. I chose that figure because it is comparable to the latest figures I was able to obtain from the countries I have cited. At that time, on December 31, 1952, our debt was \$267 billion, and our per capita debt was \$1,688.

Mr. President, I ask unanimous consent to have the table printed in the RECORD at this point, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

National public debts, Dec. 31, 1952

Nation	Total public debt	Per capita debt	Percent debt of GNP ¹
Belgium-Luxembourg.....	\$5,000,000,000	\$553	65.9
France.....	13,609,000,000	319	36.5
Italy.....	5,839,000,000	123	35.3
Netherlands.....	6,236,000,000	597	106.0
United Kingdom.....	71,072,000,000	1,396	163.6
Austria.....	500,000,000	72	15.3
Denmark.....	1,276,000,000	295	34.6
Germany.....	6,030,000,000	124	20.0
Greece.....	510,000,000	63	21.7
Norway.....	1,592,000,000	481	56.5
Portugal.....	434,000,000	50	-----
Turkey.....	1,000,000,000	45	22.7
United States.....	267,000,000,000	1,688	77.5

¹ GNP=gross national product.

Mr. ELLENDER. Mr. President, let us now turn to the defense expenditures of our Allies. Let us see what they are doing to help themselves. I repeat, we have assisted them since 1945, through the Marshall Plan and other aid programs, in the hope that they would use their own facilities in order to help themselves. Let us see how much they have spent out of their own money.

I have here a table which shows the percentage of its gross national product that each country has spent for defense purposes. I have taken these figures from a Senate committee report in the 83d Congress, 1st session.

In the case of Belgium and Luxembourg, in 1952 the percentage of the gross national product spent for defense was 4.6. Those two countries are in splendid financial condition, as contrasted to our own. Yet we are asked to spend millions of dollars there. I visited that area not long ago. The people there are well off. They eat well; wages are good; and they are well able to carry on unassisted. But we are being asked, by means of this bill, to contribute more of our borrowed money to assist them.

In 1952, Denmark spent 2.4 percent of its gross national product for defense; France, 9.3 percent; Italy, 5.1 percent; the Netherlands, 5.3 percent; Norway, 3.4 percent; the United Kingdom, 9.8 percent; Greece, 8.7 percent; Turkey, 6.8 percent; the United States, 13 percent.

Mr. President, I ask unanimous consent to have this table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Defense expenditures by NATO and allied countries (as percent of gross national product)

[See S. Rept. No. 403, 83d Cong., 1st sess., p. 19]

Nation	1952	1953
Belgium-Luxembourg.....	4.6	6.3
Denmark.....	2.4	3.5
France.....	9.3	11.2
Italy.....	5.1	5.8
Netherlands.....	5.3	6.2
Norway.....	3.4	5.0
United Kingdom.....	9.8	12.0
Greece.....	8.7	8.5
Turkey.....	6.8	6.5
United States.....	13.0	14.0

Mr. ELLENDER. Mr. President, I believe we have done our share. Reducing the present appropriation bill to the extent that is now requested by my distinguished colleague—which, in effect, would make the appropriations equal to those voted by the House of Representatives—will, I believe, still leave ample funds and will in no manner injure the mutual defense program.

Mr. President, during the hearings on this bill we heard the same kind of testimony that we heard last year. Then, we were asked to appropriate a minimum of \$7 billion. General Eisenhower sent the Chairman of the Foreign Relations Committee a telegram indicating that it would hurt the program very much indeed if we were to reduce the appropriations for it by as much as \$1 billion. I read a portion of that telegram to the Senate a while ago. But, despite General Eisenhower's insistence,

the Congress cut the appropriation by about \$1 billion; instead of appropriating \$7 billion-plus, we appropriated \$6 billion-plus. But, Mr. President, notwithstanding the fact that we appropriated \$1 billion less than was recommended by General Eisenhower, \$800 million of the sum we did appropriate was not obligated during the 1953 fiscal year.

As I pointed out a while ago in the course of the debate, since the NATO program commenced, we have appropriated a total of \$16,500,000,000 for it. All of it, except \$1 billion, was to be spent for military purposes; \$1 billion was to be used for other purposes. We never have been able to ascertain the other purposes. So the remainder of that huge sum, which was appropriated to assist the NATO countries of western Europe, was \$15,500,000,000.

What is the picture regarding the actual expenditures in connection with that huge appropriation? Mr. President, the total of obligated but unexpended balances, and unobligated balances, is \$8,672,000,000. In other words, approximately half of the amount of money appropriated by Congress during the past 3 years for the NATO program has not yet been spent. Yet now we are being asked to appropriate more.

I am convinced that with the additional funds that have been added to this bill by the House of Representatives, plus unobligated and unexpended balances, the total will be sufficient to carry on an adequate mutual-security program. I do not know the reason for the delay in obligating the appropriations; but the record shows that, as of March 31, 1953, there were unobligated balances from prior appropriations for this program—from the appropriations which were made for it last year and in previous years—of \$4,221,146,721; after March 31 there was deobligated, on instructions from the General Accounting Office, \$1,200,000,000, so that between March 31 and June 30, 1953, there were total unobligated balances of \$5,421,146,721. But, Mr. President, from March 31 to June 30 this amount was obligated, with the exception of \$1,900,000,000-plus, which is the amount discussed in the course of the colloquy with my distinguished colleague.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. MORSE. I wish to get clearly in mind the obligated and unobligated funds for the mutual-aid program. Will the Senator from Louisiana tell me his opinion as to the amount of unobligated funds available as of tonight to the directors of the mutual-aid program?

Mr. ELLENDER. I cannot say what the amount is as of tonight. But I can give the figure as of June 30.

Mr. MORSE. Very well.

Mr. ELLENDER. The unobligated balance of military aid funds as of June 30 was \$1,992,000,000. That money was unobligated; it was money which was available for expenditure, but which had not been spent or contracted for.

Mr. MORSE. I am seeking information.

Mr. ELLENDER. I realize that, and I appreciate the interest of my distinguished colleague from Oregon.

Mr. MORSE. I seek information which will aid me in reaching my decision. I say frankly that the most disturbing argument I have heard in support of the amendment of the Senator from Louisiana is the one that the mutual aid program has had available to it over \$1 billion of unobligated funds, and that, therefore, all the lead-time argument does not apply, because it applies only after contracts have been made or after the funds have been obligated. But it is said that there is "in the kitty," so to speak, over \$1 billion of unobligated funds, for the expenditure of which no arrangements at all have been made; and it is said that if we make the saving of \$500 million, as called for by the amendment of the junior Senator from Louisiana [Mr. Long], there will be that backlog of over \$1 billion of unobligated and unexpended funds which the mutual aid agency has not touched. Is that correct?

Mr. ELLENDER. That is correct.

Mr. FERGUSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. FERGUSON. I am afraid the Senator is mistaken in the figure he has used. If the House had not acted to limit the unobligated funds, the total unobligated carryover would be \$2,182,664,391. That figure will be found in the report on page 13, in the third column, the next to the last figure.

Mr. ELLENDER. That is very interesting. But, as the Senator knows, there is a great deal of conflicting testimony in the record.

Mr. FERGUSON. Yes.

Mr. ELLENDER. I obtained my figures from Governor Stassen, himself. I wish to quote from his testimony, as it appears on page 412 of the hearings. He said:

You will notice it is the defense material and training. That is of the magnitude of \$1,992,000,000 out of the overall.

Mr. FERGUSON. That is on the military side only.

Mr. ELLENDER. I understand that; but that is what I have been talking about—the \$1,992,000,000.

Mr. FERGUSON. That is not the total; that is only on the military side.

Mr. ELLENDER. It makes the case that much stronger.

Mr. FERGUSON. I know it does. I merely would like to have the figures accurate.

Mr. ELLENDER. I was talking about the military, of course. That is what the Senator asked about, was it not?

Mr. MORSE. That is what I understood.

Mr. ELLENDER. We were talking about the military aid.

Mr. MORSE. Mr. President, will the Senator yield for one more question?

Mr. ELLENDER. I yield.

Mr. MORSE. What does the Senator say to the argument that, although it is shown that there are more than \$1 billion of unobligated funds, the administration was aware of that, and took

it into account when it came forward with its recommendation of the budget it presented, which is in excess of the amount it would get if the Senate agreed to the Long amendment? What is the answer to that argument?

Mr. ELLENDER. Of course, the budget which was presented to us was made quite some time ago, and I doubt whether any serious effort was made to determine what the unobligated balances were. Let me read into the record a statement of Governor Stassen:

Senator ELLENDER. Governor, I for one can well understand from the explanations furnished why the unexpended balance is so big. But it is with respect to the unobligated balance that concerns me. Why was it not possible to put in orders for that and put it in the same category as unexpended balance?

Mr. STASSEN. Because it was deobligated in the month of May of this year.

Senator ELLENDER. That is in addition. You had according to your own testimony, I think, unobligated as of March 31, \$4,221,146,721.

Mr. STASSEN. That is right.

Senator ELLENDER. And then there was deobligated \$1.2 billion, making for March 31, on to June 30, \$5,421,146,721 that was not obligated.

Mr. STASSEN. That was all placed in contract except for the \$1.9 billion.

Those are the exact figures I have been quoting, and it all deals with the military.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield.

Mr. MORSE. Is it the Senator's understanding that one of the problems we have had with our European allies is that of getting them to follow a program of taxation which is at least somewhat comparable to the program of taxation, based on ability to pay, we impose on our own people, and that there is apparently much evidence to the effect that, particularly in France and Italy, high incomes are not taxed, and the money is not collected, even on the basis of the taxes imposed, at anywhere near the rate we collect taxes in the United States?

Mr. ELLENDER. The Senator is correct. The record shows that those who make large incomes escape their proportionate share of taxation but the principal tax revenue comes from so-called "turnover taxes," such as sales and excise taxes, which falls most heavily on the lower income brackets. That is what they depend on primarily for their revenue.

Mr. MORSE. Is it the Senator's understanding that at least a much greater proportion of the benefits of our expenditures, insofar as they find their way into the production economy of our allies, goes into the pockets of the people in the high-income brackets, who apparently are not living up to their tax obligations as we expect the American taxpayer to do?

Mr. ELLENDER. I would say that is correct. The rich do not pay their just share of taxes. They somehow escape it.

Mr. MORSE. Was this question discussed at any time within the Senator's hearing?

Mr. ELLENDER. No; I do not recall that it was. I was not present if it was discussed before our committee. But I made several trips to France; and as a result of my own inquiries I found the condition I have stated to be the fact.

In France, it is true the average per capita tax burden is higher, but the taxes are in the nature of sales taxes; as far as income taxes go, the laws are on the books, but somehow those who make large incomes escape the payment of their just proportion of taxes.

Mr. MORSE. Mr. President, will the Senator yield for one more question?

Mr. ELLENDER. I yield.

Mr. MORSE. Can the Senator give me, in round numbers, the total amount of mutual aid money which would be available for the next year to the Mutual Security Administration, if the pending bill were passed, with the Long amendment added plus the unobligated funds whenever it wants to proceed to obligate the unobligated funds?

Mr. ELLENDER. That appears on page 13 of the report. I should like the attention of my distinguished colleagues. As I understand, the amendment seeks to appropriate, in new money and in unobligated carryover, the same total amount that is included in the House measure.

Mr. LONG. Yes. The amendment would limit the amount that could be obligated to the House figure.

Mr. ELLENDER. The Senator will note in the second column on page 13 that the new money would aggregate \$4,438,678,000, and the unobligated carryover \$1,758,010,179.

Mr. MORSE. How would that figure compare with last year's figure?

Mr. ELLENDER. Last year's total would be about the same amount.

Mr. MORSE. So far as my vote is concerned, this is a vital question. The Senator means that when we take the \$4,438,678,000, shown in column 2, on page 15, and add to it the \$1,758,010,179 of unobligated carryover, making a total in round numbers, of \$6,196,000,000, we will then be appropriating this year, with the unobligated funds added, an amount about equal to what we appropriated last year. Is that correct?

Mr. ELLENDER. That is correct, with an exception. I understand that there was a carryover of \$800 million from fiscal year 1952.

Mr. MORSE. Is that in addition?

Mr. ELLENDER. That is in addition to the sum appropriated last year. I am just giving it from memory, but as I recall, the new money was slightly over \$6 billion. I should like the Senator from Michigan to correct me if I am wrong. The new money appropriated last year was, as I recall it, \$6.1 billion, to which must be added approximately \$800 million, or \$600 million, of unobligated funds carried over from the previous year.

Mr. FERGUSON. Six hundred million dollars.

Mr. MORSE. Is it \$600 million?

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Michigan for a question.

Mr. FERGUSON. The question involves the reading of the amendment. I believe it only limits the obligation; it does not at all change the appropriation recommended by the Senate committee. It allows the appropriation to stand for each item, but only limits the obligation of the money. I shall read the amendment:

SEC. 107. Not to exceed \$6,196,688,179 of the aggregate amount appropriated by this act shall be available for obligation.

In other words, all the amendment proposes is to say to the President and his administrator, "You can only obligate that amount of money. We appropriate more, but you have to hold the money we appropriate this year until after June 30 of next year, in order that you may obligate it."

Mr. LONG. Mr. President, will the Senator yield, that I may ask the Senator from Michigan a question?

Mr. ELLENDER. I ask unanimous consent that I may yield for that purpose, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, the amendment is not technical. It can be perfected. The best advice I could get from the staff assistants, advice which is also available to the Senator from Michigan, was that the method adopted by the amendment is the best way by which to limit it.

Mr. FERGUSON. No; that is not the advice I received.

Mr. LONG. The amendment provides that more money simply cannot be spent, and that it cannot be obligated. It would be impossible to spend more than the amount provided in the House bill.

Mr. FERGUSON. In other words, it would be impossible to obligate more than the House figure.

Mr. LONG. That is correct.

Mr. FERGUSON. But it will be carried over at the end of the year into unobligated funds.

Mr. LONG. The purpose of the amendment is very clear.

Mr. FERGUSON. The money could not be used next year unless reauthorized. Is that correct?

Mr. LONG. It could not be used at all unless Congress reauthorized it.

Mr. MORSE. Mr. President, will the Senator yield that I may ask a question of the Senator from Michigan?

Mr. ELLENDER. I yield, provided I do not lose the floor.

Mr. MORSE. Is it the understanding of the Senator from Michigan that if the Senate adopts the Long amendment the restriction under the amendment as to obligating the funds means that, although the funds may be appropriated, they cannot be obligated during the present fiscal year, and the President could not obligate them in the next fiscal year, unless expressly authorized by the Congress to do so. Is that correct?

Mr. FERGUSON. I am not so sure about the last part. This will be an act for only 1 year.

Mr. MORSE. May I ask the junior Senator from Louisiana if it is his idea that further authorization will be necessary?

Mr. LONG. That is my intention in offering the amendment. I believe the legislative history makes it clear that if there is some imperfection in the amendment it can be worked out. It is obvious that the intention of Congress is not to appropriate any more than can be spent. Someone may want to make a technical objection, but the facts can be ironed out in the conference. The purpose of the amendment is to reduce the amount spent.

Mr. ELLENDER. Mr. President, as I understand the amendment, it is intended that the Senate take the House figure.

Mr. LONG. In the total overall amount, but not with regard to any particular item. It is intended to limit the schedule to the total overall amount recommended by the House.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I should like to ask the Senator from Louisiana this question: Does the amendment curtail or limit the Government's ability to spend more than the unobligated balance carried over, the amount shown on page 13 under the title "Unobligated Carryover"?

Mr. LONG. No. It limits only the overall amount that can be spent. In other words, it would still be available, and, in addition, they could spend some \$4 billion of new money.

Mr. HUMPHREY. It is my understanding, then, that the figure of \$6,196,688,179 is the total amount which the Senator from Louisiana would like to have made available under the unobligated balance, plus new appropriations?

Mr. LONG. Yes.

Mr. HUMPHREY. That is to be compared with last year, when there was a total sum of \$6,743,000,000, because there were new appropriations last year of \$6,743,000,000 plus \$600 million carryover. So it would be fair to say that the amount would be about the same as last year, plus last year's carryover?

Mr. LONG. Yes. There is a larger amount in the pipeline unobligated than there was last year.

Mr. HUMPHREY. Is it correct to say, then, that the sum recommended by the Senate Finance Committee of approximately \$6 billion would be approximately equal to the total appropriation of new money last year, plus the \$600 million carried over from the year before?

Mr. LONG. I would prefer that my colleague answer that question, because I do not recall the precise figures of last year.

Mr. ELLENDER. The figure last year was in the neighborhood of \$6.1 billion.

Mr. HUMPHREY. So it comes to approximately \$6.7 billion; is that correct?

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. And what the Appropriations Committee is asking for this year, including the large carryover of unobligated funds from last year, is the same total aggregate figure of approximately \$6.7 billion.

Mr. ELLENDER. There is no change except—I am speaking of the Senate bill,

now—the House bill would be \$6.196 billion.

Mr. LONG. Of course the point should be considered that there was \$800 million which was never obligated.

Mr. ELLENDER. It was \$600 million. It was carried over.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. I want to thank the Senator for the information he has given me. I simply desire to say for the Record that as of now I am going to vote for the Long amendment, briefly, for these reasons. First, I am satisfied, on the basis of the information given me by the Senator from Louisiana and the Senator from Michigan, that with the Long amendment we will still be making available to the mutual-aid program an amount of money approximately equal to the amount of money made available to it last year.

Mr. ELLENDER. The Senator is correct.

Mr. MORSE. Second, I am greatly impressed by the argument that MSA has over a billion dollars of unobligated funds available to them, and the Long amendment does not touch that. I am also impressed with the argument that in the obligated pipeline there are many millions of dollars still to be spent. So, taking into consideration the lead time I am impelled to the conclusion that the Long amendment will not do any great damage to the mutual-aid program. In fact, I think it should be adopted.

Lastly, Mr. President, I desire to say that I am also greatly disturbed by what I understand to be the tax situation of some of our allies, in that incomes which have the ability to pay are not paying taxes. I think there is something morally wrong in our taxing the American taxpayers on the basis of their ability to pay, when our allies who are receiving aid are not requiring their citizens to pay the taxes they should pay.

Unless someone, such as my good friend from Illinois, can change my line of thinking, I am going to vote for the amendment, because I believe we should establish an understanding with our allies that we will come to their aid, but after all, mutuality ought to mean something in American foreign policy.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DOUGLAS. With reference to the point raised by the Senator from Oregon [Mr. MORSE], namely, the failure of our allies to tax themselves, is it not true that Great Britain is a country with the heaviest tax burden in the world? As a matter of fact, I believe there are only 16 people in Great Britain who have a net income, after taxes, of more than \$16,000 a year. So our tax burden, heavy as it is, heavy as it seems, is relatively light as compared with that of Great Britain.

I mention that because sometimes I am accused of being emotionally anti-British, but I think, in justice to the British, that fact should be brought out.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield, so that I

may comment on the statement of the Senator from Illinois?

Mr. ELLENDER. I will yield in a moment, but first let me say I am in agreement with the Senator from Illinois. The British people are conscientious about paying taxes as provided under their laws.

I yield to the Senator from Oregon.

Mr. MORSE. I completely agree with the Senator on the British situation. If he will note very carefully, I limited my remarks on the tax matter to France and Italy. But I would also observe that Great Britain has been the beneficiary of our aid. Of course, we also have been a beneficiary, but she has been the beneficiary of a great amount of aid from the United States—since the end of the war.

I do not believe the total amount I will support, for I will support the bill with the Long amendment, will do any injustice to Great Britain.

Mr. DOUGLAS. In the case of France, where there is an aversion to paying income taxes, nevertheless the French are paying approximately one-third of their national income in the form of taxes. Consequently, if we take into account the large proportion of French people who are self employed, and who are, I think, not subject to having their taxes deducted at the source, as is true of a large percentage of American incomes, their percentage is not so great as it seems to be at first sight.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield, to allow me to ask a question of the Senator from Illinois?

Mr. ELLENDER. I yield, provided I do not lose the floor.

Mr. MORSE. Will the Senator from Illinois agree with me that it is the little people of France who are putting the greatest part of their income, I think one-third of their national income, into taxes, and the taxes take the form of pretty harsh excise taxes? It is the great wealth of France that is not paying its fair share of taxes, but is getting the greatest benefits from the aid program.

Mr. DOUGLAS. That is correct.

Mr. LEHMAN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LEHMAN. As I listened to the speeches, I received the impression that most of my colleagues believe that when we make appropriations for the mutual security program, we are handing out charity, that we are doing a favor to our allies abroad. I have the greatest admiration for Great Britain. I have great admiration for France, Belgium, the Netherlands, and for all our other allies abroad. But that admiration is not the actuating and motivating element in my feeling about the matter. I am interested in the defense of the United States of America. I believe we cannot defend our country without the support of our allies abroad; and as a part of the support from our allies abroad, there must be strength in our allies.

We are not making the appropriation as a favor to them. We are not appropriating the money to show our affection for them, even though, of course,

our admiration plays some part in it. We are appropriating the money as a feature of our defense program and our defense picture. We cannot separate our defense appropriations and our defense preparations from the appropriations which we make for mutual security. They are all a part of one side of the medallion which goes to make this up.

We have already cut \$13 billion from our defense appropriations. We have reduced the appropriation from \$47 billion to \$34 billion. Now it is proposed to cut another \$2,500,000,000 from the recommendations of the present President of the United States and the former President of the United States in our defense appropriations. It is all a part of the same picture.

We are doing that in face of the fact that there is no indication that the threat of Soviet aggression is less today than it was a year ago. We are all fighting against Soviet aggression, both internally and externally, but we are weakening ourselves against a most dangerous threat to our security, which comes from external Soviet aggression. We are weakening ourselves by reducing our previous appropriations by 35 or 40 percent. We are doing that without the slightest indication of a lessening of the threat from abroad. In fact, all the indications are that the threat is greater today than it was a year ago.

I believe it is the height of folly to think of our weakening ourselves in the face of what we know is aggression. We know the cease-fire order in Korea is not a conclusive peace. Of course, we hope it will lead to peace; we hope so with all our hearts; but there is no assurance or indication of that.

To lay ourselves open to a weakening process, to let ourselves be lulled into a false sense of security now, because of the cease-fire order—and I rejoice in that as much as does anyone else—seems to me unwise, to be foolhardy, and to be tantamount to placing a weapon of great strength in the hands of our enemies.

Mr. ELLENDER. I say to the distinguished Senator from New York that I would be the last man on earth to do anything which would in any way undermine our security. But I believe we should remain economically strong. If we continue to pour out our wealth as we are now doing, it will lead us into bankruptcy. And a bankrupt America would be a weak America—ripe for aggression.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. ELLENDER. Not at the moment.

There is no question that we are not only carrying our own burden, without any help from anyone else, but we are carrying more than one-third of the burden of the NATO countries. In the case of France, we are carrying 38 percent of the load. There will also be found in the bill an item of X dollars. I cannot state the amount, because it is secret. But I wish to say to the Senator from New York that we are today paying 60 percent of the amount spent to conduct the war in Indochina. We are removing the burden from France, but we are assuming it ourselves.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. ELLENDER. We cannot afford to carry so much of the load.

Mr. LEHMAN. Mr. President, will the Senator yield for one moment?

Mr. ELLENDER. I yield for a question, but not for a speech. The Senator may speak in his own time. I hear many of my good friends shouting "Vote, Vote." I do not wish to delay a vote any longer.

Mr. LEHMAN. I have spoken once before tonight. I am glad to speak again, because I feel so strongly on this question.

I believe in economy. I want to see taxes reduced, just as much as does anyone else. I want the budget to be balanced. However, as I stated previously, I do not want taxes reduced or the budget balanced at the expense of our national security, because if we lose our freedom, which is always possible under the threat under which we are living, it will not make much difference what we have done, what we have, or what we have saved. I want to be sure that we shall not lose our freedom. We have gone through the threat of nazism. We have gone through the threat of other totalitarian aggression, and I simply do not want to take the chance of losing our freedom.

SEVERAL SENATORS. Vote! Vote!

Mr. LEHMAN. I think that is much more important than the question of saving a few hundred million dollars.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Do I correctly understand that the amendment of the junior Senator from Louisiana would apply the cuts authorized in the House bill?

Mr. ELLENDER. That is my understanding. It would provide the same total amount as the House version.

Mr. HUMPHREY. Does it apply item by item? I can understand how it could apply to the aggregate totals, but does it apply item by item? For example, in connection with the International Children's Emergency Fund, the House, for the fiscal year 1954, did not provide one dime. Am I to assume that, if this amendment is agreed to, the International Children's Emergency Fund will be knocked out as an operating program, so far as we are concerned?

Mr. ELLENDER. I do not think so. I will ask my distinguished colleague to answer the question, because it is his amendment.

Mr. LONG. No.

Mr. ELLENDER. As I indicated at the outset, I have three amendments which are a little more specific. The amendments which I propose would reduce the Senate committee's recommendation. As I understand, it is the purpose of my colleague in offering his amendment to have MSA spend, for the current year, the same amount as provided in the House bill.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. Does my colleague understand that the purpose of my amendment

is to limit the gross figure, and not to apply to any particular cut made by the House? It relates to the gross amount available to be obligated and spent. The amount is the same as the House would make available. My amendment applies to the overall total, without affecting any of the particular items.

Mr. ELLENDER. That is my understanding.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. If that is the understanding, who is to exercise the judgment as to where the cuts are to apply?

Mr. ELLENDER. The conferees could settle that question, in my opinion.

Mr. HUMPHREY. The conferees would have to settle it?

Mr. ELLENDER. Yes.

Mr. HUMPHREY. Suppose a Member of this body has a very strong feeling, for example, that the International Children's Emergency Fund is one of the most worthy projects we have, and suppose the conferees bring back a bill which does not contain any money for the International Children's Emergency Fund. I want to vote for an appropriation bill which has money in it for the International Children's Emergency Fund.

Mr. LONG. Mr. President, will my colleague yield?

Mr. ELLENDER. I yield.

Mr. LONG. I am sure the Senator understands that the effect of my amendment is to take the Senate language, which in this instance would include money for the International Children's Emergency Fund, and place an overall limitation on the amount which can be spent, the amount appropriated being greater than the amount that could be spent. In that event, if the House were to agree completely with the Senate language, it would be discretionary with the President of the United States and the Mutual Security Administrator as to the particular items which would be reduced.

On the other hand, when the matter goes to conference, the conferees may prefer to settle the question item by item, and in that event the money in which the Senator is interested, for the International Children's Emergency Fund, would be in conference, because the Senate language would put it in conference.

Mr. ELLENDER. The Senator must not overlook the fact that all these appropriations are lump-sum appropriations.

Mr. HUMPHREY. I understand that.

Mr. ELLENDER. They are lump-sum appropriations, as my colleague has just indicated.

Mr. HUMPHREY. As a member of the Committee on Foreign Relations, I felt that we, as Members of the Congress, ought to be a little more precise in what we did with this money, in terms of countries and areas. I asked for a rewriting of the administration bill so that we would have a pretty good idea as to where the money was going.

I should like to ask one further question. I notice that both the House and Senate authorized only \$75 million for special economic assistance to India

and Pakistan. If the cut proposed by the junior Senator from Louisiana goes through, it is entirely possible that the conferees may write down that sum to a greater extent. Is that possible?

Mr. LONG. Mr. President, will my colleague yield to me?

Mr. ELLENDER. I yield.

Mr. LONG. Does my colleague understand that that item, and the difference between the House and Senate figure, will be in conference if my amendment carries; and if my amendment does not carry, they will still be in conference? So there is a distinction without a difference.

Mr. HUMPHREY. Let me correct the record by saying that both the House and Senate proposed to appropriate \$75 million. What the junior Senator from Minnesota is asking is this: If we knock off another \$450 million, which is the effect of the Senator's amendment, is it not entirely probable that part of the \$450 million cut may come out of the \$75 million for special economic assistance to India and Pakistan?

Mr. LONG. It might.

Mr. HUMPHREY. Mr. President, I should like to ask a question with reference to another particular item.

There is a program of multilateral technical cooperation, which is the United Nations TCA program. The President asks in his revised budget for \$13,750,000. The House provided \$5,250,000. The Senate committee recommended \$9,500,000. The President has said that this is a very urgent program. This is the program with respect to which the Soviet Union said, in a great propaganda drive, that it intended to put some money in. Is it not entirely possible, therefore, that the cut which is being suggested could result in a further cut in the amounts recommended by either the House or Senate?

Mr. ELLENDER. That would be possible.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. Does not the Senator understand that when the House and Senate both use the same figure, the item is not in dispute, and therefore it cannot be reduced? The overall gross limitation could result in an administrator, with the funds available and appropriated, reducing some of the various items; but, as a matter of fact, he has the right to reduce some of them even if we do not require him to do so.

Mr. ELLENDER. It is highly improbable, if the Senate and the House each had the same figure, that they would not provide a sufficient amount. However, I am forced to admit that there is a possibility of what the Senator says happening—although it is but a remote possibility.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Do I correctly understand the Senator to say, then, that in a case in which both the House and Senate figures were the same, very likely there would be agreement?

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. But is it not fair to say that if we apply a \$450 million cut to the aggregate or sum total, the conferees may be advised by the agency that the offshore procurement program is very important, or that the European military assistance program is so important that, rather than to take cuts in some of those areas the bulk of the cut might come out of our technical assistance program, our special economic assistance program in the Near East and the Far East, and the International Children's Emergency Fund?

I am not willing to allow a handful of conferees and the Administrator of Mutual Security, no matter how good a job he is doing, the right to cast my vote on these items.

Mr. ELLENDER. The Senator would have to do that anyway, because there is no provision in the House bill for the Children's Fund. The Senate committee restored the item for the International Children's Fund.

Mr. HUMPHREY. Let me say to the Senator that at least I have the opportunity, as a Senator, to vote upon the \$9 million which the Senate recommends. This is a commitment—not only a commitment to persons, but a commitment to conscience. I happen to think that it is the best program we have. I am shocked to see that the House did not appropriate a dime for it. I want to know on what basis anyone could make that sort of recommendation.

I am not trying to distort the amendment of the junior Senator from Louisiana. I think it has certain merits. I believe, however, that the Senator ought to know that this amendment can be applied in many ways.

His total objective of a \$450 million cut may be desirable, but where do the cuts come? A cut in a particular program may literally wreck it. I believe that is something we ought to think about.

Mr. President, I have cited the facts as they appear to me. Our Government is burdened with a huge debt. Our taxes are at an all-time high. We have poured out vast amounts of our treasure in building up the economies of our allies to a point where, today, their industries and agricultures are producing at record highs. Yet we are being asked to do more.

Can we, Mr. President? Can we spend and spend and tax and tax and borrow and borrow forever? I say "No." I say, if we do, we shall not only keep faith with our own people but with all the free world, for a bankrupt America would remove the only barrier between freedom and slavery.

It is time for our allies to begin doing their share. We have carried them far enough. Let us adopt this amendment; let us be prudent; let us be just. I ask Senators only that we look now to our own security, our own people, and, in so doing, the future of the entire free world.

Mr. ELLENDER. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. Long].

Mr. DWORSHAK. Mr. President, I shall take only a few minutes.

About 13 months ago we had the same debate and we heard the same charges and the same countercharges, but there was one great difference. Then many of the leaders on this side of the aisle led the fight to cut the MSA program. They contended that economy and balancing the budget were essential. The facts indicate that if we make a comparison of the new funds and the carry-over funds which are reappropriated in this bill, with the similar legislation a year ago, the pending bill contains \$84 million more than the same bill contained a year ago.

In October last year a political campaign was under way. I believe every Senator on the floor recalls what was said by Republicans in that campaign; namely, that it was time for a change.

On this side of the aisle there are about 20 Senators who either ran for reelection or sought election for the first time in that campaign. As I recall, it was very popular then to support the platform which had been adopted by the Republican Party at the National Convention in Chicago. I was there. I know what was in the platform concerning economy.

I recall the campaign speeches of General Eisenhower, who traveled across the country time and time again. He said it was time for a change. He said it was time to balance the budget. He said it was time to have greater economy, so we could preserve the solvency of our Government, which was just as important as having an adequate national defense. Those were the promises upon which the American people based their verdict and their mandate. That was a solemn covenant which should not be violated.

What kind of change did the people want?

I do not want to be critical of my colleagues on this side of the aisle, but I point out that it is idle talk and a display of illogic to say, in order to hold up the hands of our President we must give him all the money he wants to spend abroad—in fact, \$84 million more, in this bill, than in the comparable bill a year ago.

I do not always follow the suggestions of my party or my President, but I believe tonight, as we vote on the pending appropriation bill, we can successfully contend that we are upholding our President, we are keeping faith with him, and also are keeping faith with the American people who voted last November for economy, by helping the President to keep his campaign pledges.

I shall not detain Senators much longer. I do not think it is fair to contend that the way to uphold the President is to give him all the money he wants—in fact to give him more money than we gave the former President a year ago.

I intend on this vote to uphold the President, because I believe he has made a pledge for economy to the American people, and he should keep that pledge. Whether if be from an economic standpoint, or from a political standpoint, or from a moral standpoint, it is proper

and desirable for us to uphold the President and see to it that he keeps faith with the American people, so far as this spending program is concerned and so far as an effort is being made to balance the budget and keep our Government solvent.

Mr. LONG. Mr. President, will the Senator yield?

Several SENATORS. Vote! Vote! Vote!

Mr. LONG. Is it not also true that some other people beside the President promised to do something about economy?

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the junior Senator from Louisiana [Mr. Long], as modified.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

Mr. CLEMENTS. I announce that the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL] and the Senator from Iowa [Mr. GILLETTE] are necessarily absent.

The Senator from Oklahoma [Mr. KERR] is absent because of a death in his family.

I announce further that, if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "yea."

The result was announced—yeas 35, nays 53, as follows:

YEAS—35

Anderson	Hoey	McCarthy
Bricker	Hunt	McClellan
Butler, Md.	Jenner	Morse
Butler, Nebr.	Johnson, Colo.	Mundt
Byrd	Johnston, S. C.	Schoeppel
Capehart	Langer	Smathers
Daniel	Lennon	Smith, Maine
Dworshak	Long	Stennis
Ellender	Malone	Welker
Frear	Martin	Williams
Goldwater	Maybank	Young
Gore	McCarran	

NAYS—53

Alken	Griswold	Mansfield
Barrett	Hayden	Millikin
Beall	Hendrickson	Monroney
Bennett	Hennings	Murray
Bridges	Hickenlooper	Neely
Bush	Hill	Pastore
Carlson	Holland	Payne
Case	Humphrey	Potter
Chavez	Ives	Purtell
Clements	Jackson	Robertson
Cooper	Johnson, Tex.	Saltonstall
Dirksen	Kefauver	Smith, N. J.
Douglas	Kennedy	Sparkman
Duff	Kilgore	Symington
Eastland	Knowland	Thye
Ferguson	Kuchel	Watkins
Fulbright	Lehman	Wiley
Green	Magnuson	

NOT VOTING—7

Cordon	Gillette	Taft
Flanders	Kerr	
George	Russell	

So Mr. LONG's amendment, as modified, was rejected.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. KNOWLAND. Mr. President, I have consulted with the minority leader and with 1 or 2 other Senators who had objected earlier in the day when the request was made that the Judiciary Committee might sit during the session of the Senate, and I should like to ask unanimous consent that tomorrow the Judiciary Committee may be permitted to meet while the Senate is in session. We have a heavy program. I have consulted with a number of members of the committee, and I understand that some objection was made earlier today.

Mr. McCARRAN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. McCARRAN. May it be understood that the meeting of the committee will be in the forenoon tomorrow? I make that request because there is to be a conference between the House and Senate in the afternoon.

Mr. KNOWLAND. I understand the distinguished Senator from North Dakota [Mr. LANGER] is planning on having a meeting at 10:15 or 10:30 in the morning.

Mr. LANGER. We can have the meeting until 12:30.

Mr. JOHNSON of Texas. I understand that there are a number of private bills to be considered.

Mr. CARLSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I have made the request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARLSON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ELLENDER. I yield.

Mr. CARLSON. Mr. President, I ask unanimous consent that the Committee on Post Office and Civil Service may meet beginning at 10 o'clock tomorrow morning for a short period of time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

On request of Mr. BRICKER, and by unanimous consent, the Committee on Interstate and Foreign Commerce was authorized to meet for about 1 hour tomorrow afternoon, beginning at 3:30 o'clock, during the session of the Senate.

MUTUAL SECURITY APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes.

Mr. SMATHERS. Mr. President, on behalf of myself, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. POTTER], the Sena-

tor from Maryland [Mr. BUTLER], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from New Jersey [Mr. HENDRICKSON], I offer the amendment which I have sent to the desk; and I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 17, it is proposed to insert a new section, as follows:

SEC. 103. That not more than 50 percent of moneys allocated in this bill for shipbuilding shall be expended outside continental limits of the United States.

Mr. SMATHERS. Mr. President, the amendment is very simple, and I shall be brief in explaining it.

Let me say that for 6 years I have completely supported, as have many of my colleagues, the foreign-aid program. I do not know of any request that has come before either the House of Representatives or the Senate during my service in those bodies, in connection with foreign assistance, that I have not supported.

But, Mr. President, like many of my colleagues, I have become very doubtful and dubious of the wisdom of continuing the program, for I have become thoroughly convinced that it is most unwise and imprudent for us to continue the offshore procurement program insofar as it pertains to ships and airplanes.

My amendment will not cut by 1 dime the appropriations for this program. As a matter of fact, the amendment follows completely the very essence and very purpose of the whole offshore procurement program.

There was brought to me yesterday by a captain of the United States Navy a directive of the Department of Defense, with respect to the offshore procurement. I read from that directive:

2. This directive therefore enunciates the principle that increasing munitions production on the continent of Europe is an urgent military necessity. In furtherance of this principle, it will be the aim of the Department of Defense to foster a self-supporting military production capacity on the Continent which will become self-sufficient and which at the same time will not conflict with the security interests of the United States.

I read further from the directive:

Items will be selected with the view that their procurement in Europe will not result in one or more of the following:

And one of the following items is this:

c. Serious adverse effects upon the United States economy, employment, or industrial mobilization base.

In other words, under this whole program, no offshore procurement would be allowed if it had such an effect. In short, when offshore procurement would have such an effect, then, according to the very purposes of this program, there would not be such offshore procurement.

So, Mr. President, it appears to me that if we are able to establish that serious unemployment is resulting from offshore procurement of ships, if we are able to establish that we are adversely affecting our industrial mobilization

base, by engaging in offshore procurement, then certainly this amendment should be adopted.

The figures show that in 1952 the Navy let contracts for the offshore procurement or construction of ships in the amount of \$190 million; and in 1953, \$172 million for procurement in various shipyards around the world, but not in the United States. For the fiscal year 1954, the procurement in shipyards in Europe and elsewhere in the world, outside the United States, under the provisions of this bill, is estimated to be approximately \$194 million.

As I have said, we do not propose to cut by even a thin dime the amount of this appropriation; but we propose to say that half of it, or half of the \$194 million, will be spent in shipyards in the United States.

Mr. President, why should one-half be spent here in the shipyards of the United States? The very able junior Senator from Michigan [Mr. POTTER], who is chairman of the Maritime Subcommittee of the Committee on Interstate and Foreign Commerce, has been conducting hearings every day for the past 2 months. There have been presented to that committee certain very staggering and shocking facts and figures as to what is happening to our ship production potential here in the United States. It has been established by representatives of the CIO, who have incidentally written a letter to the President of the United States, about the shipyard problem. They have testified again and again before the committee, that unless something is done to give some business to the shipyards of the United States, the yards will go out of existence completely. A representative of the A. F. of L. testified that there were 178,000 men employed in the shipyards of the United States, 2½ years ago, whereas today, there are less than 70,000 employed in private shipyards.

Witnesses have testified that in the shipyards overseas they have backlogs of orders which will keep them busy for 4 or 5 years just building up their own merchant marine; and it was pointed out that at this very moment there is not one single contract, not one single contract for the building of any commercial ships in the private yards of the United States, and that as of April 1954 not a keel will be laid for a commercial ship in private yards here in the United States.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SMATHERS. I shall be glad to yield to the able chairman of the Appropriations Committee.

Mr. BRIDGES. I do not want to interrupt the speech of the Senator from Florida. He has made a very thorough argument on behalf of his amendment. The amendment is not in the nature of legislation; it is a limitation. It involves a policy of the United States as to whether we shall use the funds here at home to keep our shipyards going or whether we want to get more ships for less money by having them constructed abroad. It is the same issue which has been before the Senate heretofore, on a

little different basis; but, because I believe we need more enlightenment, because the hour is getting late, and because we will be able to study the matter more fully in conference, the Senator from New Hampshire, as chairman of the committee, will be glad to take the amendment of the distinguished Senator from Florida to conference for thorough discussion and study of the amendment.

Mr. SMATHERS. I thank the Senator from New Hampshire. However, Mr. President, before I yield the floor I would like to yield to the able junior Senator from Massachusetts [Mr. KENNEDY] who is a sponsor of this amendment—and who has done so much in bringing this critical problem of unemployment in shipyards to the attention of the Members of the Senate.

Mr. KENNEDY. Mr. President, I ask unanimous consent that a statement I have prepared in support of the pending amendment be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

Testimony from expert witnesses has pointed out to us the dangerous situation in which the shipbuilding industry of the United States finds itself. We have been warned that the shipbuilding industry faces almost a complete cessation of activity by the end of next year unless additional work is available.

At the present time, less than 50,000 workers are engaged in private shipbuilding yards and employment is dwindling rapidly. For example, at the Bethlehem shipbuilding yard in Quincy, Mass., at the beginning of the present year there were employed close to 10,000 skilled workers. By the middle of next year, less than 3,000 of these people will be still working, and by the end of 1954 a complete lack of work will virtually wipe out the working force. Not only are the large yards like Quincy affected by lack of work. The small yards need work too.

It is obvious that the maintenance of a steady work program, for these skilled Quincy workers and their fellow-workers throughout the country is essential to the country's ability to respond quickly to the major shipbuilding assignment which an emergency would demand.

Despite the deplorable condition for the shipbuilding industry in our own country, we have been spending, during the past few years, hundreds of millions of dollars under the Mutual Security Program for the construction of ships in foreign countries. Certainly, something should be done to more properly equalize the expenditures of these sums in such a way as to give needed support to our own shipbuilding industry which is so vital to our own national defense and security. Indeed, the small craft usually constructed overseas under this program could well be the bread and butter of hundreds of small American shipbuilding yards.

The amendment to the mutual security appropriations bill which I have today joined in sponsoring along with Senators SMATHERS, of Florida, BUTLER of Maryland, LONG, of Louisiana, and POTTER, of Michigan, provides that the total volume of contracts awarded during the fiscal year ending June 30, 1954, for the construction of ships under the mutual defense assistance program, authorized by the Mutual Security Act of 1951, shall be shared equally between shipyards situated inside and shipyards situated outside the United States, its boundaries and possessions.

I am hopeful that the Senate, recognizing the importance to our national defense of maintaining a strong shipbuilding industry as well as the tragic consequences which would result from the dissipation of skilled shipbuilding manpower, which now seems so imminent, will approve this amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Florida [Mr. SMATHERS] for himself and other Senators.

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I ask that my amendment identified as "7-27-53-B" be taken up for immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 12, between lines 16 and 17, it is proposed to insert the following:

No part of the funds appropriated by this act shall be used for assistance to any country in excess of the amount which, but for the provisions of this paragraph, would be expended for assistance to such country, less an amount equal to the value, as determined by the Director for Mutual Security, of any goods which the Director determines to have been (A) exported from such country or any colony, possession, or dependent area thereof, directly or indirectly to Communist China during the period beginning on the date of enactment of this act and ending on the date on which Communist China becomes a party to a final peace agreement in Korea. Amounts withheld under this paragraph shall not be available for expenditure for assistance to any other country and shall be covered into the general fund of the Treasury.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. McCARTHY obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. KNOWLAND. I merely desire to serve notice that I shall reserve a point of order in connection with the amendment offered by the Senator from Wisconsin, that it is legislation on an appropriation bill. I do not desire to make the point of order at this time, or to cut off the Senator's discussion of the amendment, but I believe it is subject to a point of order, and therefore would require a suspension of the rules by a two-thirds vote.

Mr. McCARTHY. I may say I think the able Senator from California is entirely correct. I think this amendment is subject to a point of order, and I would appreciate it if the Senator would raise that point. I have already served notice that I shall ask for a suspension of the rule, and I would like to make that motion, after the Senator has raised his point of order. I shall not even ask the Chair to rule on it, but I will agree with the Senator.

Mr. KNOWLAND. Mr. President, regardless of the merits of legislation dealing with the subject covered by the amendment, I believe it has no place on an appropriation bill. The rules are very clear that, without a suspension of the rule, legislation cannot be placed on an appropriation bill; and I therefore make the point of order that the amend-

ment of the Senator from Wisconsin is legislation on an appropriation bill.

Mr. McCARTHY. Mr. President, I may say I shall not impose on the Chair by asking for a ruling. I think the Senator from California is correct. I discussed the matter with the Parliamentarian. I have served the usual notice that I would move a suspension of the rule; which, of course, requires a two-thirds vote.

Mr. President, I so move at this time.

The PRESIDING OFFICER. The point of order is sustained. The question is on the motion of the Senator from Wisconsin to suspend the rule.

Mr. McCARTHY. Mr. President, I should like to point out that the amendment, very simply stated, provides that, if any of our allies who are receiving mutual aid, ship materials to Red China, between the date of the enactment of the pending bill and the date Red China signs a treaty of peace, for every dollar's worth of goods they ship to Red China \$1 will be deducted from mutual security aid.

As all of us know the United States has cut off its aid to Red China; it has cut off all shipments to Red China. If it is proper for us to cut off all our shipments to Red China, then it is proper for our allies—or our alleged allies—to do the same thing. If we are to continue to allow our alleged allies to ship goods and material to Red China, then the American businessmen should also have the benefit of this very profitable and lucrative trade.

In this connection, Mr. President, I may say that Lord Salisbury, who is the Acting Foreign Minister in the absence of Anthony Eden, made the statement, within the past 2 days, that not only were the British going to try to increase their trade with Red China, but that they were going to start to take the materials listed as strategic off the list, so that during the so-called truce they could ship to Red China strategic war materials.

I am quoting none other than Lord Salisbury, the Acting Foreign Minister.

I should also like to call the attention of the Senate to the fact that the newspapers have carried a story within the past few days that recently a \$100 million barter deal has been entered into between England and Red China. I should also like to call to the attention of Senators the fact that England's trade with Red China was 12 times as great during the first 3 months of this year as it was during the first 3 months of last year.

Mr. President, separate and apart from the immorality of such traffic, separate and apart from England's dealing in blood money, if we merely look at this matter coldly from the standpoint of foreign trade, what we are doing is allowing England to capture the very valuable markets of Red China, and to prolong the truce arrangements as much as possible, to the great disadvantage of American businessmen.

But more important than that, of course, is the fact that we have seen how the Communists operate. We have seen how they operated in China, while

we had a mission there some years ago. On four different occasions when the Communists were losing, they called for a truce; and during the truce negotiations—I am speaking now of the Communist revolution in China—on all four occasions, the Communists built up their strength, after which they were ready to go again, and they started up.

Mr. President, the same thing may occur again now that they have entered into a truce agreement. If our allies, or alleged allies, can continue to supply the sinews of war as the British Foreign Minister says they are going to do, it means that some time, 30 or 60 days, or 6 months from now, the Chinese Communists will be ready to begin fighting again.

I do not intend to take the time of the Senate except for another minute or two to give the Senate a picture of the viciousness of these deals. I should like to recite the facts in one instance.

There is a British company in Hong Kong called the Wheelock-Marden Co. That company obtained a British corvette. The name it was the *Clover*. The Wheelock-Marden Co. removed the guns and transformed the ship into a transport vessel. After the war with Korea started Britain had a rule to the effect that British firms could not sell any ship to the Communists. They found a good way to get around that, not only in this case but in many others. They chartered the boat to the Communists. They charged them the first year the value of the ship. It still carried the British flag, but was owned by Red China. What happened in the case of this corvette? It was chartered to the Communists, and the name was changed to *Cloverlock*. This has been proved by the Defense Department. The ship was reconverted to a gunboat, so that all during the Communist war and as of today, the *Cloverlock*, a ship under British registry, is a gunboat, a fighting ship of the Communists, and, being under British registry, it of necessity carries the British flag.

I merely mention it to show the viciousness of this dealing in blood money.

In closing, Mr. President, I may say that there can be no reason on earth, in view of that case, why we should say to American businessmen, "You cannot deal with our enemy; you cannot furnish him the sinews of war." The Defense Department has written to the effect that anything given to the enemy increases his war potential. All the facts submitted to our committee show that our allies have shipped approximately \$2 billion worth of material to Red China during the war. I say that either we should say to America, "Yes, we will also furnish the sinews of war to the enemy," or we should say to our alleged friends, "Gentleman, you must stop." The only way to make them stop is to hit them in their pocketbooks, in dollars and cents. If we say to them, "For every dollar you ship to the enemy we will take off a dollar of mutual aid," there will not be much shipping to Red China.

Mr. KNOWLAND. Mr. President, I do not believe any Member of the Senate has been more concerned with the situation in the Far East than has the senior

Senator from California over the period of 8 years in which he has been a Member of the Senate, during the developments which have taken place in that area of the world.

I will say to the Senator from Wisconsin that I think his committee has done a useful service to the Senate and to the country in developing the facts growing out of trade with Communist China in a period of time when she was the aggressor in Korea. I think the American people are entitled to the facts. I think that from both a moral and a legal point of view there was no justification for any member of the United Nations, or, indeed, for any nation claiming to be a part of the free world, trafficking with the enemy during the time that enemy was the aggressor in Korea.

I want to say to the Senator from Wisconsin that for a long period of time before the inception of the Korean war I felt we had made a great mistake when we did not ask our allies to join us in a complete naval blockade of the entire China coast to prevent a single vessel from getting in or out of Communist China, particularly at a time when she was an aggressor in Korea. I advocated such a policy. I think it was a mistake that we did not follow such a policy, and I believe it will be inevitable, should Communist China break the truce, that we cannot consent to a stalemated type of war and ignore the necessity of a complete and full blockade of the entire China coast.

My objection to the amendment of the Senator from Wisconsin stems from the amendment itself. I do not believe it has had a sufficient time for study before the Appropriations Committee, which is not a legislative committee, and it is an amendment which I believe is not properly drafted to meet the situation which the Senator from Wisconsin himself apparently desires to meet.

Mr. McCARTHY. Mr. President, will the Senator from California yield at that point?

Mr. KNOWLAND. I shall be glad to yield in a moment.

During the period of time when a number of amendments were presented on the floor of the Senate, including the Kem amendment, which some persons thought went too far, I supported it in the Senate. I supported another amendment which I felt did not go far enough to meet the situation and which left some loopholes.

I think it would be worthwhile for Senators to reread this amendment. It reads as follows:

No part of the funds appropriated by this act shall be used for assistance to any country in excess of the amount which, but for the provisions of this paragraph, would be expended for assistance to such country, less an amount equal to the value, as determined by the Director for Mutual Security, of any goods which the Director determines to have been (A) exported from such country or any colony, possession, or dependent area thereof, directly or indirectly to Communist China during the period beginning on the date of enactment of this act and ending on the date on which Communist China becomes a party to a final peace agreement in Korea, or (B) imported into such country, colony, possession,

or dependent area directly or indirectly from Communist China during such period.

Parenthetically, Mr. President, I may say that we do not know whether Communist China will ever become a party to a treaty of peace in Korea, because the group with whom we have negotiated the armistice represents Chinese volunteers, and not Communist China. I read further:

Amounts withheld under this paragraph shall not be available for expenditure for assistance to any other country and shall be covered into the general fund of the Treasury.

As to the provision with reference to goods exported directly or indirectly to Communist China, it is my very sincere conviction that we could not get any such facts except by accepting the published figures of the particular country in question. If an amendment of this kind or any comparable amendment drafted in this way is passed by the Congress of the United States and becomes law, all that would happen under those circumstances would be that the shipping countries who had been carrying on the trade would stop publishing their figures. So I think they would foreclose a great deal of the information which we now have.

I submit, Mr. President, that the only way we would be effectively able to meet the situation would be to use the entire power of the United States fleet and the fleets of our associated allies in policing the coast of China, applying the doctrine of search and seizure to find out what was going to be shipped in. It may well be that the time may come that the truce will be broken, and I do not believe this country or the free world would consider going on with a stalemated type of war in Korea, and we would have to take all the necessary steps in the event the truce is broken, to see to it that that type of stalemate cooperation would not be carried on. Among the things which I believe would have to be done would be to have a full and effective naval blockade of the China coast.

I do not know whether Congress wants to take that step at this particular time in the negotiations that are taking place, when we are attempting to determine whether it is possible to get a peace with honor through diplomatic means. I do not know whether at this time we want to take that step after a period of 3 years went by when I believe it should have been taken. I do not know whether we want to take it now, and impose an effective naval blockade on China, because, as a matter of policy, that is what is involved. I admit people may honestly differ, and the Senator from Wisconsin may have a view different from mine, but I submit the only way the matter can be policed effectively is by such a blockade.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. McCARTHY. First, since I have been in the Senate, I think the Senator from California has taken perhaps the most intelligent view of the China situation of any Senator, with the exception of 1 or 2 others, who I believe have

been as active as he has been. So I have a great deal of respect for his views.

However, I cannot agree with him when he says the Senate should not agree to this amendment, because we cannot depend upon our allies, and that if the amendment is agreed to, our allies will be so dishonest that they will cover up their shipments of the sinews of war to our enemy and deceive us. I do not believe that is true. If our allies are so bereft of honor that they will do that, then we should not be passing a mutual aid bill here at all today.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. KNOWLAND. I thank the Senator for yielding at this point. I think what we wish to do is to try to enlighten the Senate on the matter, because a very real question is involved. We do not have 96 Senators present, but I do not believe there is a single Member of the Senate, Republican or Democrat, who does not believe that during a period when the Communist Chinese were inflicting casualties upon our forces in Korea, it was immoral and unjustifiable, not only to ship strategic materials of war to the Chinese, but to trade with the Chinese upon any basis whatsoever, because anything that bolstered their civilian economy during that period of time strengthened their power to make war. So I believe on that question every Senator present would feel much the same way I feel.

I believe we are confronted with a practical problem. Let us consider a vessel of a certain registry. I do not wish to cast reflection upon any country. For a time it was said that Panamanian vessels were involved, but more recently, since the committee headed by the junior Senator from Wisconsin has gone into the matter, I understand the Panamanian Government has cooperated and sought to the best of its ability to close out that kind of trade. But let us assume it was country X that placed a number of merchant vessels under a different flag. They sent their tramp steamers to, we will say, Great Britain. Those vessels picked up certain cargoes which may have been represented to be or actually were being carried from Great Britain, or from any other country that might be named, to, let us say, Malaya or India. So far as the owners of the vessels were concerned, they may have believed that the cargoes were to be used in India, for example. I do not wish to cast any reflection on India, although I have been a little critical of her neutral attitude during the period when the world was challenged by the menace of communism. Theoretically, those goods at that point could either be used in India, or they could be sent through India, to Pakistan, or some of the neighboring countries, or ultimately they could be sent over the old Burma Road, to go into Communist China by pack and by overland route. Or they could be transshipped at that point, not in the same vessel, to an Indian vessel, or some other vessel, and then sent to Communist China.

The language of the Senator's amendment refers to the goods may be shipped directly or indirectly. The example I have just mentioned would be an indirect shipment. Yet I do not know how the country that originally shipped the cargo could be held responsible for that type of situation. If the goods were shipped from Liverpool direct to Takubar, I quite agree that the British Government could police the traffic, and I think they should police it, without any legislation, and it should have been policed more than it was policed during the period of the Korean war.

I merely cite that to show some of the very real problems.

I think the matter should have very careful consideration by the Legislative Committee, but I do not believe the amendment proposed by the Senator from Wisconsin would do the job he desires to have done. Nor has the matter had the consideration that a subject involving so important an aspect of public policy should have, particularly when we are dealing as an adult Nation and as a leader in world affairs. I think we should at least proceed with proper care, to be sure that what we do as a matter of public policy is thoroughly considered.

Mr. McCARTHY. The Senator from California points out very well the difficulties of enforcing the provision. There is no question that it will be difficult. But the United States has forbidden its nationals to ship to Red China. We have enforced that regulation rather well, I think. That was done under the previous administration, with the end result that practically on material flowed from this country to Red China.

Mr. KNOWLAND. I might say that it was done by the past administration with a considerable amount of stimulation from Congress, both Democrats and Republicans, because I remember our former colleague, the distinguished Senator from Maryland, Mr. O'Connor, who was also devoted to this subject, headed a committee which went very thoroughly into the matter.

I think it was some of the debates on the floor of the Senate and in the other body, some of the talks made by a number of Senators who are on the floor tonight, which stimulated the past administration into belatedly performing the act, which, in my judgment, should have been performed on the day the Korean war broke out. But that is water over the dam. We cannot unscramble those eggs.

Mr. McCARTHY. I suggest to the Senator from California that the amendment under consideration was not hurriedly drafted. Our committee has been working on this question for months. We took over the work of the committee headed by Senator O'Connor, which had worked on the subject months before that. I believe it is the studied opinion of a great many Senators that this is the only way to cut off this blood trade and blood money. I am certain the Senator from California will agree with me that so long as the United States says that our nationals cannot ship to Red China, we should not finance a ship line which is shipping to Red China.

I urge the Senator to take the amendment to conference. I am certain the idea would meet with the wholehearted approval of 95 percent of the American people. It will not meet with the approval of British shipping interests.

I again wish to call the Senator's attention to the speech of Lord Salisbury. I know this is something which will disturb the Senator from California, as it disturbed me. But the acting Foreign Minister of Great Britain, substituting for Anthony Eden, and speaking in the House of Lords, said that now that the truce was signed, Great Britain would exert every effort to increase her shipments to Red China. That was number one.

The second point was that they would work to remove from the list of strategic war materials the materials they desired to ship to Red China. Great Britain is serving notice on us that during the truce they are going to supply the sinews of war to Red China, and build her up.

As the very able Senator from California well knows, Communists respect only strength. They do not respect weakness. If they are built up during the next 3, 4, 5, or 6 months, if they are supplied with enough of the sinews of war, then the possibility of obtaining an armistice or of obtaining a peace agreement will have diminished immeasurably.

It seems to me it is only reasonable—and I wish the Senator would take the amendment to conference—that we should say to our allies that so long as the United States has supplied practically all blood, practically all the agony and tears, and practically all the money to fight the Korean war, and so long as we say we will not let our businessmen ship to Red China, if our allies do it, they do it without our help.

Mr. KNOWLAND. If I may interrupt, I say to the Senator, as I said earlier, I think, on the floor of the Senate, that so far as the general objective is concerned, I agree with him. I agree with him on the question of the immorality of the trade conducted with Communist China during the time she was the aggressor in Korea. I think no Senator would differ with us on the question of the immorality of that trade. So far as the general objective which the Senator is seeking is concerned, I have no doubt in my own mind that in my part of the country the general objective would meet with overwhelming approval. If it were considered purely on the basis of popularity, I think we could all join in support of this amendment.

However, it seems to me that, as Senators of the United States, we have an additional responsibility, and that is to be sure that when we consider a matter of high public policy, we should at least thoroughly explore it in all its ramifications and implications.

I believe that this is a question which deserves the careful study of the proper legislative committees of the Congress.

As the Senator knows, we now have a new administration. I am sure that the administration is mindful of the situation. For the first time we have a

State Department which has publicly declared that it is not going to agree to the admission of Communist China into the United Nations, and that if it necessary to do so, it will use the veto power in the Security Council to prevent Communist China from shooting her way into membership in that organization.

This administration has taken an active part in negotiating with the British and our other allies on the curtailment of shipments of both strategic and other materials into Communist China. We now have a cease-fire, troubled though it be, and temporary as it may prove. It seems to me that under those circumstances, since I am sure the administration thoroughly recognizes the sentiment in the Congress and in the country, it will be mindful of this problem. I should like at least to have an opportunity for the next 6 months to try to settle this question with our allies, without doing something which might upset the delicate balance of the diplomatic negotiations which must now proceed for a period of time.

I will say to the distinguished Senator from Wisconsin that if Her Majesty's Government makes the same serious mistake which was made at the time the British Government recognized Communist China, in January of 1950—though up to this very moment the Chinese Communist Government has never recognized Her Majesty's Government—if the British should make the mistake, during this troubled period of time, of shipping strategic material to Communist China to the point where she could build up her war potential to strike us in a Pearl Harbor type of attack, in Korea or elsewhere, then I should say that a heavy responsibility would rest upon Her Majesty's Government.

The other day I heard some speeches by the distinguished senior Senator from Georgia [Mr. GEORGE] and other Senators. I wish to say that if the British Government and any other governments should conspire to ship strategic materials during this critical period of time, I would join the Senator from Georgia and other Senators in making certain, so far as my vote was concerned, that this would be the last of this type of act to be passed by the Congress.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KNOWLAND. However, I do not wish to tie the hands of the executive branch of the Government in conducting the very delicate negotiations which now must be undertaken, upon which peace or war in the world may depend.

I believe that the distinguished Senator from Wisconsin has performed a useful service in his committee by developing the facts and presenting them to the country. I am sure that this is a question which is very much in the minds of the administration, and I sincerely hope is in the minds of Her Majesty's Government and the other governments which may be trafficking in any such manner. I appeal to the distinguished Senator from Wisconsin to withdraw his amendment at this time for the reasons which I have stated.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. McCARTHY. The Senator says "if" our allies continue trafficking with the enemy and supplying the sinews of war, he will take a certain position. Let me say that there is no "if" about it. The Acting Foreign Minister of Great Britain, Lord Salisbury, made the statement to which I have referred within the past 48 hours. He boasted about it in the House of Lords. He said, "We are going to continue shipping the material we have been shipping." I mention Great Britain because she is the principal offender so far as volume is concerned. There are also other offenders.

As the Senator knows, throughout the Korean war Great Britain has been shipping material to Red China, material which we have on our list of strategic war materials. The United Kingdom says, "We will not place such materials on our strategic list."

We have asked the Mutual Security Administrator to give us a list of the materials which we consider strategic war materials, but with respect to which Britain has said, "No, these are not strategic war materials." For some reason or other that information is classified as secret.

Lord Salisbury says, "We will go a step further. We will take off the list of strategic war materials even the limited number of materials now on that list." He says, "We are going to build up our trade with Red China."

One of the other responsible members of the Conservative Party pointed out that there was a race with Japan and Germany. Japan and Germany are getting into the China trade, and the British feel that they must get there first and establish their trade.

Mr. KNOWLAND. Mr. President, I know of the difficulties involved in trans-Atlantic transmission of reports of debates, either in the British Parliament or in the United States Senate or House of Representatives. Perhaps the Senator has the entire text of the debate in Parliament.

Mr. McCARTHY. No; I have not.

Mr. KNOWLAND. The British Parliament publishes a document similar to our CONGRESSIONAL RECORD. I would be better satisfied if I had the opportunity to read the full text of the debate. All of us in public life have had the experience of seeing a paragraph or two or three taken out of context. But when the entire speech is read sometimes a little different emphasis is placed upon it. I do not have the advantage of having the full text of the debate, so I have no knowledge on the subject, but I appreciate the difficulties involved.

I say that it is possible that the Members of Parliament may have been discussing a situation relating to the theoretical future, in the event an honorable peace should be arrived at in Korea. In the event there should be a free and united Korea growing out of the peace treaty, the British may feel that ultimately they hope to redevelop their trade with continental Asia and China. I do

not know, but I say that it seems to me that at least before we make a blanket condemnation we should know more of the facts. I believe that the British, like ourselves, have been guilty of many sins of omission and commission. I think we should have the full text of the speech of Lord Salisbury. I talked with him personally when he was in Washington, and I am quite sure that he is mindful of the feeling of the American people, and also the necessity of curtailing any trade in materials which could be used by Communist China to build up her war potential to strike at us.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. McCARTHY. I do not wish to prolong the debate, inasmuch as the hour is growing late.

Would the Senator agree with me that, if I have correctly quoted Lord Salisbury, something should be done now, bearing in mind that we cannot enact any legislation during the closing days of the session, and that the only opportunity we have to do something positive to cut off that trade is in connection with the pending appropriation bill? If the Senator feels as I do, that the statement of Lord Salisbury serves notice upon us that the British are going to make the signing of an ultimate peace with Red China difficult, because they will be strengthening Red China, let me suggest to the Senator that this amendment be taken to conference. If it is found that the quotation which has been attributed to Lord Salisbury is incorrect, or if it is discovered that the acting British Foreign Minister has not said, "We are going to supply the sinews of war to China," the amendment can be dropped in conference.

I am sure the Senator, in whom I have great confidence, feels just as strongly on this subject as I do. I am sure he agrees that something must be done now. If we wait for 6 or 8 months, it will be perhaps 200,000 lives too late.

We have made mistakes in the past. Because of such mistakes many American boys are dead. If we make such a grievous error again, if we strengthen Red China through the British and make it impossible to obtain an ultimate peace, if we must go back to war, the blood of our boys will be on the hands of every United States Senator.

Mr. KNOWLAND. I will say to the Senator from Wisconsin I believe the President of the United States and the administration are certainly mindful of the very problem which the Senator has raised, and regardless of what happens to the amendment and regardless of what happens to the Senator's motion to suspend the rule, I will personally undertake to make representations to the executive branch of the Government to obtain the full text of Lord Salisbury's speech.

I am certain, if the implication of the entire speech is what the Senator has given to one part of the speech, there would be valid reason and sufficient authority in the hands of the executive branch of the Government to do what

the Senator would hope to do by his amendment, but which, in my judgment, cannot be done by his amendment.

Mr. McCARTHY. There is one further point I should like to make. First I should like to hand the Senator from California, if I may, the news account of the speech of Lord Salisbury. Unless the news account is incorrect I have quoted him exactly.

In closing I should like to say that the Appropriations Committee considered my amendment and voted against it by a tie vote of 7 to 7.

Mr. President, on my amendment I ask for the yeas and nays.

The VICE PRESIDENT. Is the request for the yeas and nays sufficiently seconded?

Mr. McCARTHY. I ask Senators to give me the yeas and nays. I believe we should have a record of the vote on my motion to suspend the rule.

The yeas and nays were ordered.

Mr. McCARTHY. Mr. President, I understand that the vote is not on my amendment, but on my motion to suspend the rule.

The VICE PRESIDENT. The Senator from Wisconsin is correct. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], the Senator from Ohio [Mr. TAFT], and the Senator from Utah [Mr. WATKINS] are necessarily absent.

Mr. CLEMENTS. I announce that the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Iowa [Mr. GILLETTE], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from New York [Mr. LEHMAN] are necessarily absent.

The Senator from Oklahoma [Mr. KERR] is absent because of a death in his family.

The yeas and nays resulted—yeas 34, nays 50, as follows:

YEAS—34

Barrett	Hunt	McClellan
Beall	Jenner	Mundt
Bricker	Johnston, S. C.	Pastore
Byrd	Kennedy	Potter
Capehart	Langer	Purtell
Chavez	Lennon	Schoeppel
Daniel	Long	Stennis
Dworshak	Malone	Welker
Eastland	Martin	Williams
Frear	Maybank	Young
Goldwater	McCarran	
Hickenlooper	McCarthy	

NAYS—50

Aiken	Green	Mansfield
Anderson	Griswold	Millikin
Bennett	Hayden	Monroney
Bridges	Hendrickson	Morse
Bush	Hennings	Murray
Butler, Md.	Hill	Neely
Carlson	Hoey	Payne
Case	Holland	Robertson
Clements	Humphrey	Saltonstall
Cooper	Ives	Smathers
Dirksen	Jackson	Smith, Maine
Douglas	Johnson, Colo.	Smith, N. J.
Duff	Johnson, Tex.	Sparkman
Ellender	Kilgore	Symington
Ferguson	Knowland	Thye
Fulbright	Kuchel	Wiley
Gore	Magnuson	

NOT VOTING—11

Butler, Nebr.	Gillette	Russell
Cordon	Kefauver	Taft
Flanders	Kerr	Watkins
George	Lehman	

The VICE PRESIDENT. Two-thirds of the Senators present not having voted in the affirmative, the motion of the Senator from Wisconsin [Mr. McCARTHY] to suspend the rule is rejected.

Mr. HICKENLOOPER. Mr. President, I call up the amendment I have at the desk, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. In section 105, on page 11, line 9, it is proposed to strike out the period and insert a colon and the following: "Provided further, That after September 1, 1953, none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties, nor shall any of the counterpart funds generated as a result of assistance under this act be made available to such nation."

Mr. HICKENLOOPER. Mr. President, this is the so-called Morocco amendment, which we have been fighting about since 1949. I wish to give a little of the history in connection with the amendment.

The situation to which the amendment relates developed in 1949. France, as an overlord of a sovereign country with which we have a treaty, has been abusing the rights of United States citizens in Morocco ever since 1949. That has been admitted by practically everyone. It has been admitted by our own State Department from time to time. The matter has been the subject of investigation. The International Court of Justice now has held that in Morocco, France is defrauding United States citizens of their rights. But our State Department has done nothing about it.

In 1950 Senator Connally, of Texas, who then was chairman of the Foreign Relations Committee, was the author of the so-called Connally amendment which became part of Public Law 535, the ECA Act of 1950. I shall not recite the Connally amendment. Most of us remember it. It importuned the State Department merely to take steps, under our treaty with Morocco, to assure to United States citizens the right of equality of treatment—a right which the French were denying because of their overlordship and their so-called protectorate activities. But nothing was done by the Department to end such action in denying that right of United States citizens.

I offered substantially the present amendment to the 1950 foreign aid appropriations bill, and it was adopted by a vote of 43 to 29. Thirty-seven Senators who now are Members of the Senate voted at that time in favor of that amendment. It went into that appropriation bill, but nothing was done; the State Department still refused to obey the mandate of the law, and still let the French get away with it.

Thereafter, under the device, if you please, of an appeal by France to the International Court of Justice, our then Secretary of State, without any authority whatsoever, in my opinion, joined in the appeal of the French, although the

French had no legal basis for appealing the case to the International Court of Justice, because under the law, I am convinced, the French had no standing in that court. But for some reason our State Department consented to the jurisdiction of the International Court. I am sure there were some persons, including some in the United States, who thought the International Court of Justice would find against us. But, Mr. President, strange as it may seem, last fall the International Court of Justice found against the French on all counts, and ruled that the French had, through coercion, been preventing the Moroccan Government from giving United States citizens treatment equal to that given French nationals.

Mr. HILL. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. HILL. Is it not true that even the French judge on the International Court joined with the other nine judges, so that the decision was unanimous, as the Senator from Iowa has said?

Mr. HICKENLOOPER. I believe that is correct; I have been so informed.

Now this question comes up again. For several years impassioned pleas have been made by Members of the Senate. The distinguished chairman of the Foreign Relations Committee, the senior Senator from Wisconsin [Mr. WILEY], in 1950 made a very earnest plea for fair treatment of American citizens and businessmen and in support of the amendment. A great many Members of the Senate who now are on the floor were highly incensed about the situation. But still the United States Government has done nothing about it.

This amendment merely writes into the pending appropriation bill a provision to the effect that if any nation which is a party to a treaty to which the United States and a dependent area or protectorate of that nation also are parties, fails to provide for equality of treatment as between United States citizens and the nationals of that nation, when located in that protectorate, or otherwise, that nation will not be able to receive any of the funds appropriated by this act, nor will that nation be able to receive any of the counterpart funds generated as a result of assistance under this act.

So I earnestly hope we can get the United States Government to do what it used to do when the flag followed our citizens, namely, simply see to it that our citizens have the rights they thought they would have under such treaties with other sovereign nations.

Mr. BRIDGES. Mr. President, the able Senator from Iowa has made a most excellent and effective presentation, and I agree with him about the importance of protecting the rights of our citizens. Therefore, Mr. President, I accept the amendment.

Mr. HICKENLOOPER. I thank the Senator.

Mr. LANGER. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. LANGER. Was it not shown that most of our citizens who thus have been

discriminated against are World War II veterans?

Mr. HICKENLOOPER. Yes; that is absolutely correct.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa [Mr. HICKENLOOPER].

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, in line 2, it is proposed to strike out "\$1,900,000,000" and to insert in lieu thereof "\$1,400,000,000."

Mr. BRIDGES. Mr. President, may the amendment of the Senator from Louisiana be stated again?

The VICE PRESIDENT. The amendment will be stated again.

The CHIEF CLERK. On page 2, in line 2, it is proposed to strike out "\$1,900,000,000" and to insert in lieu thereof "\$1,400,000,000."

Mr. ELLENDER. Mr. President, as I stated earlier in the evening, I have three amendments to submit. If adopted, they will cut the total appropriations provided by the Senate Appropriation Committee bill by \$671,800,000.

The purpose of the amendment I have just submitted is to cut the appropriation for military aid to Europe in the sum of \$500 million.

It is not my purpose to restate all the arguments I advanced during the early part of the evening. I merely wish to point out to my colleagues the enormous unobligated carry-over and the enormous obligated carry-over that are chargeable primarily to the military aid we have appropriated in recent years to our western European allies. The nations of Western Europe are more able to take care of their needs than those of the Far East. It is not my purpose to offer amendments which in any manner would reduce the amount of military aid for the Middle East or the Far East.

As I pointed out, and as was pointed out by many other Senators, the unobligated balance for military aid amounts to \$1,992,000,000. Of that sum, the unobligated balance insofar as European military aid is concerned is \$1,371,977,000.

If this amendment is adopted, we shall provide \$1,400,000,000 of new funds for military aid for Europe plus a carry-over which aggregates \$1,371,977,000. In addition to that, there are, as I have previously pointed out, funds obligated, but not spent, amounting to \$6,700,000,000.

It is my considered judgment that insofar as military aid for Europe is concerned, those countries will be well provided for with this enormous obligated but unspent balance and the unobligated balance of over \$1,300,000,000, and the new funds, totaling \$1,400,000,000 provided in this bill.

Mr. President, this amendment is going to do no violence to the military program of Europe. I hope the amendment will be adopted. I may state further to many of the Senators who voted

against the Long amendment probably because they considered it to be somewhat complicated, and uncertain as to where the cuts would be made, that my amendment reduces only the amount of new funds appropriated for military aid to Europe. For example, my distinguished friend from Minnesota raised the issue, when the amendment of the junior Senator from Louisiana [Mr. LONG] was under consideration, as to what would become of funds in the bill for children's aid. As all of us know, the Senate committee bill provides \$9 million for that purpose. The House bill provided no funds. The amendment of my colleague might possibly have affected that item, but the amendment I offer does not. Under my amendment, every item in the Senate bill, as written, will remain as it is, with the exception of the European military aid item that I propose to curtail to the extent of \$500 million.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield to the Senator from Indiana.

Mr. JENNER. Will the Senator be kind enough to tell me this? Taking the bill as it came from the Senate, how much more are we proposing to spend in 1953 on foreign aid than we spent in 1952? Can the Senator answer that question?

Mr. ELLENDER. The Senator means, as provided in the Senate bill?

Mr. JENNER. That is correct, as the bill was reported to the Senate by the Committee on Appropriations.

Mr. ELLENDER. As was pointed out earlier in the discussion, the previous Congress appropriated \$6.1 billion for foreign aid, and there was a carryover of \$600 million, so that the total that was available for obligation under last year's appropriation, was \$6.7 billion. The 1954 figures as approved by the Senate committee, is approximately the same. That is, we shall have available for expenditure almost the identical sum that was appropriated last year—namely \$6.745 billions as compared to \$6.7 billion for fiscal 1953.

Mr. JENNER. Then the senior Senator from Idaho is wrong in saying that the pending bill is a higher bill than the one passed last year. Is the Senator from Idaho wrong in that statement?

Mr. ELLENDER. I think he is; yes.

Mr. JENNER. In other words, the spending this year for foreign aid will be approximately the same as the amount spent for foreign aid last year, if the bill reported by the Appropriations Committee of the Senate is passed with no amendment. Is that correct?

Mr. ELLENDER. The Senator is correct in that the amounts available for obligation in each year are approximately the same.

Mr. JENNER. I thank the Senator.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], the Senator from Ohio [Mr. TAFT], and the Senator from Utah [Mr. WATKINS] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Iowa [Mr. GILLETTE], and the Senator from New York [Mr. LEHMAN] are necessarily absent.

The Senator from Oklahoma [Mr. KERR] is absent because of a death in his family.

I announce further that if present and voting the Senator from Georgia [Mr. RUSSELL] would vote "yea."

The result was announced—yeas 32, nays 52, as follows:

YEAS—32

Barrett	Jenner	McClellan
Bricker	Johnson, Colo.	Morse
Butler, Md.	Johnston, S. C.	Mundt
Byrd	Langer	Schoeppel
Capehart	Lennon	Smathers
Dworshak	Long	Smith, Maine
Ellender	Malone	Stennis
Frear	Martin	Welker
Goldwater	Maybank	Williams
Hickenlooper	McCarran	Young
Hunt	McCarthy	

NAYS—52

Aiken	Green	Mansfield
Anderson	Griswold	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Murray
Bridges	Hennings	Neely
Bush	Hill	Pastore
Carlson	Hoey	Payne
Case	Holland	Potter
Clements	Humphrey	Purtell
Cooper	Ives	Robertson
Daniel	Jackson	Saltonstall
Dirksen	Johnson, Tex.	Smith, N. J.
Douglas	Kefauver	Sparkman
Duff	Kennedy	Symington
Eastland	Kilgore	Thye
Ferguson	Knowland	Wiley
Fulbright	Kuchel	
Gore	Magnuson	

NOT VOTING—11

Butler, Nebr.	George	Russell
Chavez	Gillette	Taft
Cordon	Kerr	Watkins
Flanders	Lehman	

So Mr. ELLENDER's amendment was rejected.

Mr. ELLENDER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Louisiana.

The CHIEF CLERK. On page 3, line 10, it is proposed to strike out "\$240 million," and insert in lieu thereof "\$168,200,000."

Mr. ELLENDER. Mr. President, this amendment seeks to reduce the bill by \$71,800,000. The item under which this sum is found is headed Mutual Defense Financing for Europe. We are providing in the bill quite a large sum for military assistance to the United Kingdom. We are also providing a substantial amount which will be used by the British to manufacture airplanes. The item which I seek to delete is \$100 million for what is essentially economic aid to Great Britain.

Mr. McCLELLAN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. McCLELLAN. The item does not come under that title; it is included under another title, "Military assistance," is it not?

Mr. ELLENDER. It appears as "Mutual defense financing." It is, in reality, purely economic aid.

Mr. McCLELLAN. The title is misleading, is it not?

Mr. ELLENDER. Exactly. There are quite a few items throughout the bill that are labeled military aid, but, in reality, are economic aid, pure and simple. It is a reincarnation of the old Marshall plan. That is all it is.

Mr. President, my amendment does not affect the original sum provided in the Eisenhower budget for aid to Greece to the extent of \$20 million; nor does it touch aid to Italy in the amount of \$20 million. Also unaffected is aid to Turkey, \$50 million; Germany, for refugees, \$15 million; Austria, \$20 million; and Yugoslavia, \$45 million. My amendment simply seeks to eliminate \$100 million of purely economic aid for the British from the bill.

Mr. JENNER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. JENNER. I think the figures stated by the Senator are inadvertently different from those mentioned during the debate in the House. I refer to the CONGRESSIONAL RECORD of Wednesday of last week, page 9743. Representative TABER, chairman of the Appropriations Committee, in opposing an amendment on that day, stated—and I want the Members of the Senate to get this—

Mr. Chairman, the fund availability on this proposition with this bill and the unexpended balances will run approximately \$14,550,000,000.

Mr. President, the Senate Appropriations Committee has added to that amount \$548 million, which means that when this bill passes the Mutual Security Administration can spend tomorrow over \$15 billion. As to what was spent last year and what is proposed to be spent by this bill this year, I further quote Representative TABER:

The estimate of expenditures by this organization is \$6,800,000,000 for next year.

In 1953 there was spent, \$5,500,000,000.

So, Mr. President, what I want the Senate to realize is that we are going to have an authorized expenditure of \$1,300,000,000 more this year than was spent last year; and if that be true, I want to extend my apologies publicly to former President Truman and Dean Acheson. [Laughter.]

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. LANGER. Is it not also true that we are spending \$300 million in Great Britain to build airplanes, paying them in dollars, and they are using labor over there in Britain, although we are paying the entire bill?

Mr. ELLENDER. I think the amount provided for in this bill for that purpose is \$85 million. The revised budget estimate was \$100 million. The Senate Ap-

propriations Committee has reduced that amount to \$85 million.

Mr. MALONE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield.

Mr. MALONE. I should like to ask the Senator from Louisiana if the statement made by the distinguished Senator from Louisiana and the argument being made by him do not add up, probably, to the answer as to why there may be a request to raise the debt limit?

Mr. ELLENDER. If we continue to spend, there is bound to be a request to raise the debt limit.

Mr. MALONE. It harks back to what I stated, that this Congress has no idea how much it has spent this year or last year.

SEVERAL SENATORS. Vote! Vote!

Mr. ELLENDER. As I indicated previously, the revised budget—that is, the so-called Eisenhower budget—provided \$268,200,000, for so-called mutual defense financing in Europe. That, as I have said, is economic aid pure and simple.

What this amendment would do is merely reduce the original budget by the amount that was earmarked for economic aid to Great Britain. If the amendment is agreed to, it will reduce the amount provided in the Senate bill by \$71,800,000.

On this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Louisiana [Mr. ELLENDER]. The yeas and nays are demanded.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], the Senator from Kansas [Mr. SCHOEPP], the Senator from Ohio [Mr. TAFT], and the Senator from Utah [Mr. WATKINS] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Iowa [Mr. GILLETTE], the Senator from New York [Mr. LEHMAN], and the Senator from Nevada [Mr. MCCARRAN] are necessarily absent.

The Senator from Oklahoma [Mr. KERR] is absent because of a death in his family.

I announce further that if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "yea."

The result was announced—yeas 37, nays 45, as follows:

YEAS—37

Anderson	Hickenlooper	McClellan
Barrett	Hunt	Morse
Beall	Jenner	Mundt
Bricker	Johnson, Colo.	Potter
Butler, Md.	Johnston, S. C.	Smathers
Byrd	Langer	Smith, Maine
Capehart	Lennon	Stennis
Daniel	Long	Symington
Dworshak	Magnuson	Welker
Ellender	Malone	Williams
Ferguson	Martin	Young
Frear	Maybank	
Goldwater	McCarthy	

NAYS—45

Aiken	Griswold	Kuchel
Bennett	Hayden	Mansfield
Bridges	Hendrickson	Millikin
Bush	Hennings	Monroney
Carlson	Hill	Murray
Case	Hoey	Neely
Clements	Holland	Pastore
Cooper	Humphrey	Payne
Dirksen	Ives	Purtell
Douglas	Jackson	Robertson
Duff	Johnson, Tex.	Saltonstall
Eastland	Kefauver	Smith, N. J.
Fulbright	Kennedy	Sparkman
Gore	Kilgore	Thye
Green	Knowland	Wiley

NOT VOTING—13

Butler, Nebr.	Gillette	Schoeppel
Chavez	Kerr	Taft
Cordon	Lehman	Watkins
Flanders	McCarran	
George	Russell	

So Mr. ELLENDER's amendment was rejected.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. JENNER. Mr. President, I send to the desk an amendment, which I ask to have stated.

Mr. KNOWLAND. Mr. President, will the Senator yield, so that I may make an announcement as to tomorrow's procedure?

Mr. JENNER. I yield.

Mr. KNOWLAND. For the information of the Senate, it is planned to have the Senate convene at 11 o'clock tomorrow morning—or this morning, since it is now past midnight—and to take up the supplemental appropriation bill. When we are ready to recess tonight, I shall move to make the bill the unfinished business, not for the purpose of debate tonight, but simply to have it ready for tomorrow.

Following action on the supplemental appropriation bill, there are a number of other bills which I believe are relatively noncontroversial.

They are Calendar 675, H. R. 5561; Calendar 677, H. R. 5257, and Calendar 671, H. R. 6039. I believe they were all announced earlier, but it has not been possible to consider them today, because of the debate which has taken place on other bills.

Following action on those bills, it is expected that the conference report on the Continental Shelf bill will be ready for action in the Senate. I am hopeful also that we will have several other conference reports from the House on some of the appropriation bills passed today or within the last few days, so that action may be taken by the Senate. Of course, conference reports will be called up as rapidly as possible.

Then I hope the legislative program will be such that it will be possible to have a call of the calendar about 5 or 6 o'clock tomorrow afternoon, including the consideration of bills of which the printed copies and the committee reports are available, but not beyond that point.

We plan to have one more calendar call on Friday, for the consideration of bills with respect to which the printed bills or reports will not be available on Thursday. In that way, instead of having too large a calendar call on Friday,

to which Senators may not be able to give adequate attention, with the result that some bill might get through which should not get through, or vice versa, we can at least give sufficient attention to the calendar call by taking it in 2 bites instead of 1.

I shall also consult with the minority leader on Thursday relative to any changes in the program, or any legislation of a priority nature which may come from committee, and which can be called up with due notice to the Senate.

I have heretofore given notice that on Thursday at 2 o'clock there will be a memorial service on the life and character of the late distinguished Senator from New Hampshire, Mr. Tobey. The family has been notified. That arrangement is in conformity with the time arranged by the distinguished senior Senator from New Hampshire [Mr. BRIDGES]. Those services will be at 2 o'clock Thursday afternoon.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1954

Mr. FERGUSON. Mr. President, will the Senator from Indiana yield to me?

Mr. JENNER. I yield.

Mr. FERGUSON. There is a matter which I should like to bring to the attention of the Senate in relation to House bill 5969, the bill containing appropriations for the Department of Defense. In section 640 there appears the following language:

SEC. 640. No part of the funds appropriated in this or any other act shall be available for the payment to any person in the military service who is resident of a United States Territory or possession, of any foreign duty allowances above the authorized allowances for comparable rating in the continental United States unless such person is serving in an area outside the Territory or possession of which he is a resident.

So that there will be no misunderstanding as to the intentions of the Senate conferees on H. R. 5969, the Department of Defense appropriations bill for 1954, I wish to make a very brief statement. In connection with section 640, it is the interpretation of the Senate conferees that the term "foreign duty allowances" as used in that section, includes all types of overseas pay and allowances.

We have been informed that the military departments intend to interpret the word "allowances" as not including pay. The distinguished Representative, Mr. WIGGLESWORTH, has stated on the floor of the House that it was his opinion that the conference committee had in mind that this word covered pay as well as other allowances.

I wish to state upon the floor of the Senate now that in connection with section 640 it is the interpretation of the Senate conferees that the term "foreign duty allowances" as used in that section includes all types of overseas pay and allowances. If there is any conferee present in the Chamber who does not so understand, I should like to have him so state.

Mr. HAYDEN. The section relates to pay.

Mr. FERGUSON. Yes.

Mr. HAYDEN. We were not talking about allowances.

MUTUAL SECURITY APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

The VICE PRESIDENT. The amendment offered by the Senator from Indiana [Mr. JENNER] will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

Money appropriated in this bill shall be available for expenditure in the fiscal year ending June 30, 1954, only to the extent that expenditure thereof shall not result in total aggregate net expenditures of all agencies provided for herein beyond the total of \$5,500,000,000.

Mr. JENNER. Mr. President, I shall take only a moment to explain this amendment. It embodies the proposition I stated a while ago—that with the increase by the Senate Appropriations Committee, the funds available in this bill, together with the unexpended balances, will run to more than \$15 billion. The amount which was spent last year was \$5,500,000,000. We are proposing to spend next year, if we pass the bill as it is, \$6,800,000,000. If we do not place some kind of limitation upon the expenditures in this bill, the administration can spend next year the entire \$15 billion.

I am not trying to wreck this program. All I am saying is that we should place a limitation upon expenditures for the current year of \$5,500,000,000, which is the same amount as was spent last year, which was the biggest year of spending for foreign aid in the history of the Nation.

I submit to Senators, as reasonable men, that that would not wreck the program. Last year was the biggest spending year we ever had. This year will equal it. With this limitation, at a time when we are spending more money than ever, and the budget is further out of balance, I think we should impose some limitation so that Mr. Stassen will not be permitted to spend the entire \$15 billion during the current year.

That is all there is to it. Take it or leave it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. JENNER]. [Putting the question.] The Chair is in doubt.

Mr. JENNER. I ask for a division.

The Senate proceeded to divide.

Mr. JENNER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], the Senator from Kansas [Mr. SCHOEPEL], the Senator from

Ohio [Mr. TAFT], the Senator from Utah [Mr. WATKINS], are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], and the Senator from Iowa [Mr. GILLETTE], the Senator from New York [Mr. LEHMAN], and the Senator from Nevada [Mr. McCARRAN] are necessarily absent.

The Senator from Oklahoma [Mr. KERR] is absent because of a death in his family.

I announce further that if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "yea."

The result was announced—yeas 33, nays 49, as follows:

YEAS—33

Anderson	Frear	Martin
Bennett	Goldwater	Maybank
Bricker	Hoey	McCarthy
Butler, Md.	Hunt	McClellan
Byrd	Jenner	Morse
Capehart	Johnson, Colo.	Mundt
Case	Johnston, S. C.	Smathers
Daniel	Langer	Stennis
Dworshak	Lennon	Welker
Eastland	Long	Williams
Ellender	Maione	Young

NAYS—49

Aiken	Hendrickson	Monroney
Barrett	Hennings	Murray
Beall	Hickenlooper	Neely
Bridges	Hill	Pastore
Bush	Holland	Payne
Carlson	Humphrey	Potter
Clements	Ives	Purtell
Cooper	Jackson	Robertson
Dirksen	Johnson, Tex.	Saltonstall
Douglas	Kefauver	Smith, Maine
Duff	Kennedy	Smith, N. J.
Ferguson	Kilgore	Sparkman
Fulbright	Knowland	Symington
Gore	Kuchel	Thye
Green	Magnuson	Wiley
Griswold	Mansfield	
Hayden	Millikin	

NOT VOTING—13

Butler, Nebr.	Gillette	Schoeppel
Chavez	Kerr	Taft
Cordon	Lehman	Watkins
Flanders	McCarran	
George	Russell	

So Mr. JENNER's amendment was rejected.

Mr. MAYBANK. Mr. President, I have an amendment at the desk which I ask the clerk to state.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 12, between lines 16 and 17, it is proposed to insert the following:

SEC. 107. No part of any appropriation contained in this Act shall be expended for the purchase of agricultural products or products produced from agricultural products not declared to be in short supply, in the United States by the Secretary of Agriculture, at less than the prevailing market price for such commodity within the United States or if obtained from the Commodity Credit Corporation stocks, at less than the support price of such commodity including handling and storage costs, but nothing in this section shall be construed to prevent the operation of export payment programs, other than those financed from funds contained in this act, pursuant to section 32 of the act of August 24, 1935 (Public Law 320, 74th Cong.), as amended, or to prevent the sale at less than the support price, including handling and storage costs, of any commodity from Commodity Credit Corporation stocks which has substantially deteriorated in quality or as to which there is danger of loss or waste through deterioration or spoilage.

Mr. HAYDEN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. HAYDEN. That sounds like the Whitten amendment.

Mr. MAYBANK. The Senator is correct. It has been in these appropriation bills before, but it was not put in the House bill this year. I hope the distinguished chairman will take the amendment to conference. I do not want a yea and nay vote on the amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. AIKEN. Is it the same amendment as the Whitten amendment which was added to the bill last year.

Mr. MAYBANK. The Senator is absolutely correct. It is word for word the same amendment.

Mr. AIKEN. Was that not the amendment which for some weeks stopped any exportation of cotton or purchase of cotton by the Mutual Security Administration?

Mr. MAYBANK. If it stopped it, it stopped it because we were trying to give it away. I do not want to give the cotton away.

Mr. AIKEN. The Senator will remember that it seriously interfered with the sale of cotton.

Mr. MAYBANK. Not with the sale of cotton, but with giving it away. Oh no; the Senator is wrong. It never interfered with the sale of cotton. I am merely asking the Senator from New Hampshire to take the amendment to conference.

Mr. DIRKSEN. Mr. President, I make a point of order against the amendment. It contains an affirmative direction, and is legislation on an appropriation bill. I ask for a ruling.

Mr. MAYBANK. The Senator from Illinois is absolutely correct. The Senator has voted to give away billions of dollars this year, when last year he stood on the floor of the Senate and voted to cut the giveaway programs.

Mr. DIRKSEN. Mr. President, I make the point of order.

The VICE PRESIDENT. Does the Senator from South Carolina desire to be heard on the point of order made by the Senator from Illinois?

Mr. MAYBANK. No; I do not desire to be heard on it, but I should like to remind the Senator from Illinois that last year I supported him and helped him in cutting the appropriation because of the waste, and because he wanted to balance the budget and reduce taxes. I am sorry the Senator cannot support me on this amendment.

Mr. DIRKSEN. The Senator from South Carolina can offer an amendment to cut the bill by \$100,000,000 or by \$200,000,000, or take his chances with the Senate. But why come in with a restriction to tie it up with an amendment which will stymie the program?

Mr. MAYBANK. The distinguished Senator from Illinois, who is a conservative and who believed in reducing expenditures last year, is now on the other side.

The VICE PRESIDENT. The Chair sustains the point of order.

Mr. DIRKSEN. Mr. President, the Senator from Illinois is accountable only to himself and to his constituency. The Senator from Illinois has the courage, and, shall I say, the intestinal fortitude to go along with his President when he thinks it is in the national interest and in behalf of sound foreign policy to do so.

Mr. MAYBANK. Mr. President, I have intestinal fortitude also to support what I believe to be correct. I went against my President, President Truman, to cut appropriations. For the same reason I will go against President Eisenhower, who is also my President, whom I respect and admire and whom I have known for a long time, although he is a Republican. I voted against a Democratic President, President Truman when he was in office. I stand where I have always stood.

Mr. BRIDGES. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 11, after line 9, it is proposed to insert the following:

SEC. 108. At least 50 percent of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this act, and transported on ocean vessels (computed separately for dry bulk carriers and dry cargo liners) shall be transported on United States flag commercial vessels at market rates for United States flag commercial vessels in such manner as will insure a fair and reasonable participation of United States flag commercial vessels in cargoes by geographic areas.

Mr. BRIDGES. Mr. President, this is not my amendment, but is one which I was directed by the committee to offer.

Mr. FERGUSON. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. FERGUSON. Is it not true that in the original ECA Act, back in 1949, an identical section was included, and is still part of the law, never having been repealed? I so understand.

Mr. BRIDGES. I believe that is correct.

Mr. FERGUSON. I refer to the section which reads identically, being section 409, 22 United States Code 1581.

Mr. BRIDGES. I believe this amendment to be rather a reiteration.

Mr. JENNER. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. JENNER. If the amendment is similar to existing law, what is the necessity for adopting the amendment? It seems to me that it would discriminate a little bit against Europe. [Laughter.]

Mr. BRIDGES. Mr. President, I have offered the amendment at the direction of the committee.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Hampshire. [Putting the question.]

The Chair is in doubt.

Mr. BRIDGES. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. GORE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, it is proposed to delete lines 8 through 14, inclusive, as follows:

Mutual special weapons planning: For assistance authorized by section 542, \$50 million: *Provided*, That none of the funds appropriated hereunder shall be used for the transfer of special weapons unless the recipient nation has agreed to the return of such weapons to the Government of the United States when their return is requested by the President of the United States;

Mr. GORE. Mr. President, the bill contains two absolutely new proposals. One is for \$5 million to establish a co-operative bank exchange fund in Europe. That item has already been eliminated as a result of colloquy between the distinguished chairman of the committee and myself.

The second absolutely new proposal is for a so-called special weapons program. It really is not a program. I have read what purports to be the justification, and it is clear that the Administrator does not have anything definite in mind in this connection, and neither do the others who testified in support of this item.

The original item was one of \$250 million. Now it has been reduced to \$50 million. No one has yet justified it on any specific basis.

The idea is that perchance in connection with something which might be developed, the United States taxpayers should provide aid.

Under the present law and under the provisions of the pending bill, the President has and will have authority to transfer 15 percent of the funds herein appropriated or previously appropriated in similar bills and yet unexpended. Therefore, ample flexibility is provided for such development, if found worth while.

I wonder whether the chairman of the committee will not accept this amendment. I shall not state the names of those to whom I have talked about this item, but I have gone to certain members of the Foreign Relations Committee and have asked them what they believe to be the weakest spot in this bill. They have pointed to this spot.

This item can be eliminated without hurting any program now in existence, and I believe this item can be eliminated without hurting any program in the future.

Mr. BARRETT. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. BARRETT. I have taken time to read the hearings. Although I admit that the Senator from Tennessee has hit upon a weak spot, I hardly believe he would assert it is the weakest spot in the bill, if he reads all the hearings.

On page 531 of the hearings, I find reference to a provision under which nine high-salaried financial advisers would travel all over the world, to tell other countries how to balance their

budgets. I think they should be brought home and used here in Washington. [Laughter.]

Mr. BRIDGES. Mr. President, let me say that this particular item is one for special weapons; the basis and justification for it are that it relates to research and development in new weapons. If in the future we are to defend ourselves and if we are to take the leadership in defending the rest of the free world, then we wish to make use of every new, modern weapon which can be conceived; and we must recognize that some of the best and greatest contributions in the field of new weapons have been made by scientists of other countries, whose contributions have come to us in one way or another. For instance, I refer to developments relating to such items as guided missiles, radar, and jet engines.

Mr. FERGUSON. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. FERGUSON. Is it not true that part of the testimony was taken off the record, because of security reasons?

Mr. BRIDGES. That is true. Much of that material is highly secret and classified.

The purpose of this provision is merely to make mutual-aid funds available for research and development, so that the results of the research will be available to ourselves and to the rest of the free world.

Mr. GORE. Does not the Senator from New Hampshire agree that the President already has authority to interchange the appropriations provided in this bill?

Mr. BRIDGES. Yes; he has that authority. But this item is set up for a special purpose.

Mr. GORE. What is the purpose? I have read the hearings, and no one testified as to the purpose. It was an indefinite, fuzzy matter that might develop in the future. If such a development should require that the taxpayers of the United States spend \$50 million, certainly a further request can be made of the Appropriations Committee.

This is an indefinite item, and the funds for it could be interchanged. This item is just another pad in the program.

Mr. BRIDGES. Mr. President, the Senator from Tennessee knows that in his own State of Tennessee there was developed in 1942 and 1943 a project which was highly secret, although at that time some Senators were told about it. It was then a rather "fuzzy" thing, but it turned out to be a major research development.

I do not say this item of the bill relates to such a development; but it is one of the calculated risks we think we should take.

Mr. GORE. Mr. President, by referring to page 121 of the hearings, the able Senator will see that atomic weapons are specifically excluded from this program; and in the event that some unforeseen developments occur, the President will still have authority, either by using the funds herein appropriated or by using funds heretofore appropriated, to make interchanges in order to take care of such developments.

The hearings fail to disclose justification of a specific nature for this item.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield, so that I may ask a question of the chairman of the committee?

Mr. GORE. I yield for that purpose.

Mr. MORSE. Do I correctly understand that the chairman of the committee gives the Senate assurance that the Appropriations Committee took testimony and evidence in secret on this matter because it relates to highly confidential military secrets, including a program for the development by scientists and researchers among our Allies of secret nonatomic weapons?

Mr. BRIDGES. If I understood correctly, the Senator was saying we were given no details as to the individual projects. The projects outlined in the program were of a secret nature. It was pointed out that this was the only item in the entire bill for scientific research in the field of new weapons. We were not told what the weapons were. We were told broadly the theme.

Mr. MORSE. Is it the opinion of the Appropriations Committee that the proponents of the appropriation made a case which justified the conclusion that the money would be well spent in the development of secret weapons which would be of assistance in the defense of our country?

Mr. BRIDGES. I would say they made a case, generally speaking, yes. But whether the development would bring about something to justify it in the field of research, as the distinguished Senator knows, is a different matter. No one knows what the end result will be, but, as a calculated risk, as we might say, we thought it a good proposition.

Mr. MORSE. To put it in a somewhat different way, it was decided that it was worth while to carry on the research to see whether positive results could be obtained. Is that correct?

Mr. BRIDGES. That is correct.

Mr. GORE. There is nothing in the hearing about research. There is nothing in the justification about research.

Mr. THYE. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment. If Senators will examine the large tabulation—I do not know that all Senators have it—they will see that this involves a new program, or rather a new proposal. It is not a new program, it is a new proposal in a program which we hope some day to end. We are asked to appropriate \$50 million on an indefinite basis, for something about which we know nothing.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I was present at the time this item was discussed in the committee hearing. The chairman has stated the situation very clearly; that is, that so far as the \$50 million was concerned, it would be used in the field of secret weapons. I think it would be found by anyone who will go back through the records of previous years, that some such sums of money have been included and have been used for scientific research, with the idea that something new might be developed.

None of this money will be spent, unless some scientist comes up with some new, specific type of project or weapon. If that should happen, it could then be financed from this appropriation.

I was not in the Congress at the time, but I must remind the Senator that there was a time when \$2 billion was made available to the President of the United States, the result of which was the birth of atomic energy.

Some opinions were given to those of us who sat in the committee hearings, but they were off the record. The testimony was not detailed as to the type of weapon, or as to what was being attempted to be done; but there was an off-the-record statement as to why the appropriation was advisable and desirable. For that reason, I would say to my distinguished friend, I believe this item should be included. We might find that the returns to our national defense would be a great many times greater than the \$50 million.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment. I recognize the ability and fine patriotism of the distinguished Senator from Minnesota. I fear, however, that he has this completely confused with something else.

Mr. THYE. Mr. President, I doubt that I am confused. I sat through a good many hearings on these matters.

Mr. GORE. Mr. President, I do not yield. In the first place, this is a new proposal. It does not relate to something which has been carried on, as the Senator would seem to indicate; and in the second place, there is no indication in the hearings that there was off-the-record discussion. I think that is always indicated in the hearings, when there is off-the-record discussion. The record, which I have examined carefully, stands, to the effect that, first, this is a new proposal, ab initio, and, second, that there is no specific basis upon which it is justified.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SALTONSTALL. I should like to call attention to the testimony, at page 588, where Mr. Stassen makes a further point, which might have been off the record, though apparently it was not. Mr. Stassen said:

General Ridgway initiated and General Gruenther followed through on a special analysis of new and modern weapons in the NATO command and that study should be out in September, and that will form the basis related to the research approach for this purpose.

That special study is being conducted with a full knowledge on the one hand of the atomic capability that is not involved in this law but also the other kind of new and special weapons that are involved.

It is carefully hemmed in for United States control but at the same time for the stimulation of the best scientific brains in other countries.

Mr. GORE. That is as fine an argument as I have heard advanced for the elimination of this item of appropriation. If the Senator will just reread that language, he will see how indefinite and

meaningless and utterly unplanned the program is.

Mr. SALTONSTALL. Will the Senator permit me to finish?

Mr. GORE. Yes.

Mr. SALTONSTALL. I would call attention also to the language of section 542 of the Mutual Security Act of 1953, which reads:

Provided, That, prior to the obligation of funds for this purpose, the President shall determine that such obligation is of direct importance to the security interest of the United States and is in furtherance of the policies and purposes of the Mutual Defense Assistance Act of 1949, as amended: And provided further, That, prior to the transfer of such weapons, the President shall determine (1) that the recipient is adequately prepared to safeguard the security of such weapons; (2) that the transfer of such weapons will be of direct importance to the security interest of the United States; and (3) that such transfer will further the purposes and policies of the Mutual Defense Assistance Act of 1949, as amended.

Our Chief Executive at the present time happens to be President Eisenhower, who certainly knows the value of weapons, and who certainly understands the problems connected with the security of the United States; and before he can spend any of this money, he must make the determinations and meet the requirements I have just read from the Mutual Security Act of 1953.

Mr. GORE. I should like to point out to the Senator that my amendment would not prevent the President from following each of the stipulations which the Senator has read, and it would not prevent his spending, up to a certain percentage, the money appropriated by the pending bill. The \$50 million is an additional amount, that may be used for an indefinite purpose.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GORE. I yield to the distinguished Senator from Alabama, a member of the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, I should like particularly to have the distinguished Senator from Massachusetts listen to a brief statement. When this matter was first presented to the Foreign Relations Committee by Mr. Stassen, and when we tried to obtain certain details from him, it was suggested that we get the information from the military. When Mr. Wilson, the Secretary of Defense, was before us, he, too, was very general in his statement, and apparently knew nothing about the details. Then, when General Bradley came before us, we thought we certainly would be able to get specific information. But General Bradley said he had nothing to do with originating the program, and he could tell us nothing about it.

Then, when General Ridgway—and this is particularly the reason I wanted the Senator from Massachusetts to remember it, since I think he read something that related to a study being made under the supervision of General Ridgway—when General Ridgway testified before our committee, he, too, said he had nothing to do with starting this program, and knew nothing about it. Not one of them could give any word as

to the type of weapons that would be involved.

Finally, when Mr. Stassen came before us again—we asked him to come back—then it was that we could separate atomic weapons from the program, and we were assured that it would not have anything to do with atomic weapons. He finally suggested the possibility of guided missiles being the type of weapon that was involved.

Mr. GORE. Who suggested that?

Mr. SPARKMAN. Mr. Stassen. Furthermore, he said that one of these countries might develop a new weapon through the stages of research and preparation, and not be able to produce it in sufficient quantities to be useful, and he wanted this fund in order to be able to help in that connection.

Mr. GORE. Was there no suggestion that the fund would be used for research?

Mr. SPARKMAN. As I recall, research did not enter into it at all. It was a question of assistance to those countries in producing weapons which they might develop and which we might want to utilize in NATO in greater quantities than they themselves were able to produce.

I believe the hearings will bear out the statement I have made. Even if the Senator's amendment should prevail, it would have no effect whatsoever on the authorization of \$100 million. The authorization would stand. The Senator's amendment relates, of course, only to the present appropriation bill.

Mr. GORE. Will the Senator also confirm the fact that there is no relation to atomic weapon development?

Mr. SPARKMAN. That was specifically explained, that nothing involved would have anything to do with atomic weapons of any kind.

Mr. ANDERSON. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. ANDERSON. Does the Senator believe, in view of the statement by the distinguished Senator from Alabama, that if Mr. Stassen knows nothing about it, if the Secretary of Defense knows nothing about it, if General Bradley knows nothing about it, and General Ridgway knows nothing about it, it comes under the classification of secret material? [Laughter.]

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. HUMPHREY. I will say to the Senator that the statement of the Senator from Alabama is exceedingly accurate. I think I am accurate in saying that members of the Foreign Relations Committee were disturbed, because I recall that Mr. Dulles and Mr. Stassen were about to leave on their trip to the Far East and the Near East, and before Mr. Stassen left he was called back to the committee. Mr. Stassen told us it was conceived to be a program in which the use of special weapons could augment our defense in the NATO organization. I think many members were concerned as to whether there was enough documentation as to details. I recall that an authorization of \$250 million was re-

quested, and it was cut down to \$100 million. I believe there were suggestions to cut it down even below that amount.

I believe it should be restated, to make it perfectly clear, that the amendment of the Senator from Tennessee does not deny the President the opportunity to utilize funds for the purpose if he finds it necessary.

For those who feel that there may be some padding in the bill, I must confess in all honesty that I have voted against every single amendment to cut the bill. I think that has been my record in 4½ years in the Senate. If there is any one item in the bill where dollars can be saved in appropriations, it is in this item, without jeopardizing the security of the country, because we are not knocking out an authorization. I would vote against knocking out the authorization, because, undoubtedly, the President or someone in the higher echelon has an idea which is thought to be for the good of the country. We have got to trust the President. If we want to save \$50 million, this is one item where that can be accomplished.

Mr. MONRONEY. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. MONRONEY. I should like to ask the distinguished junior Senator from Tennessee if it is not a fact that last week we cut \$50 million out of research with reference to our own Air Force, and now we are told we must have \$50 million for some European research that apparently cannot be explained.

Mr. GORE. We are told that in this debate, but not in the record. It is specifically not for research in connection with atomic weapons to which reference has been made. For 10 years I served on the House Appropriations Committee. We sat not 3 days on a bill, but for several weeks, and we asked every time for a justification before we appropriated the taxpayers' money. There is not sufficient justification for this \$50 million. The purpose may be fine, but if some weapon is developed in the future the President still has authority and still has the interchangeability and flexibility of funds to allocate a certain amount for the purpose. Here is \$50 million for which no sufficient justification is made. Here is \$50 million which we can cut from the bill without touching an existing program and, I think, without damaging any program in the future.

Mr. MONRONEY. I can understand why it is necessary that we implement with dollars the procurement of hardware, machinery, tools, and articles of that kind, but I cannot understand why we are asked to furnish United States dollars for the program of research in foreign nations under this intellectual or scientific program of a foreign country. If we are going to start buying our way into research programs around the world, I am afraid we will build up a mutual security program for the next 50 years.

Mr. GORE. That is the point. Here is a program, the object of which may be good, but we are starting a new program which may become an entering wedge for a future expenditure.

Mr. CASE. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. CASE. I have not read the hearings, but I have grave doubt of the President's authority to transfer any part of the other appropriations in the bill to this particular purpose if we wipe out this paragraph.

Mr. GORE. I am not wiping out the authorization at all. All my amendment would strike out is the appropriation and the proviso, which does not relate to the authorization.

Mr. CASE. It would strike out the paragraph.

Mr. GORE. That is all the paragraph contains.

Mr. CASE. I question very much whether such a transfer could be made. The Senator may remember that we have repeatedly carried a token appropriation for emergency fire protection, so that the fund would be in existence and could be augmented. But we at least had a token appropriation. With respect to the item itself—

Mr. GORE. Before the Senator goes further, let me say that I recognize the distinguished Senator's ability. I have served with him a long time in the other body. Any point he suggests is worthy of consideration, but I must respectfully disagree with him in this matter, because the nature of this paragraph is only an appropriation and a proviso by way of limitation. The authorization, on the other hand, for the transferability of funds is in the basic act of authorization. Therefore, I cannot agree with the Senator that there is any connection whatsoever. The basic authority for transferability stands.

Mr. CASE. I still think that when we wipe out all reference to a particular section of the bill, like section 542, we have wiped out the possibility of transfer. I think we can transfer only where there is some initial fund under that section to which to transfer the money.

The second point I wish to raise is that when the first appropriations were made for the Manhattan District project, Senators could have asked 99.44 percent of the officers who came before the Appropriations Committee from the War Department, and they could not have answered anything about it. They could not have told us anything about it. I remember when General Marshall came before the committee. I served in the House during the years when the money was first made available for the Manhattan District project, in 1943 and 1944. A billion dollars was appropriated to the Corps of Engineers over and above the regular appropriation, for which no special or particular justification was made. It was first talked of as a contingent fund. Appropriations were made only after a statement by 1 or 2 persons representing the War Department, and after even the clerks of the committee were excluded from the room. When General Marshall was called in on one occasion, he said the reason it was necessary to have the money was that it involved a race against time.

The Germans were engaged in some heavy water experiments, and it was necessary to have the money for the particular project concerned.

I know nothing about the merits of the particular item involved here. I did not attend the hearings, and I have not read them. But it is acceptable to me, since much of the knowledge that was obtained for development of the Manhattan District project, or the atomic energy project, came from scientists like Fermi, and others, who were not citizens of the United States originally, but were persons of foreign birth. In this instance, it is entirely possible that special plans may be under development in other countries where there are some very great scientists.

If the Appropriations Committee had such hearings, where the testimony of witnesses was that there are some such projects, I imagine it was desired to use those scientists. I should like to be on safe side and, at least, have some funds available for use for that purpose.

Mr. GORE. I appreciate the statement of the distinguished Senator from South Dakota. I suggest that there is absolutely no analogy between this proposal and the Manhattan District project. Like the distinguished Senator, I was a member of the House Appropriations Committee at the time of which he speaks. I know the military came before the committee and asked for a very large sum, stating that the purpose was highly secret.

But I point out to the Senator that there was this difference. There was a program and a weapon upon which research had been made. An appropriation was requested for development and for manufacture of something definite.

Here, however, to show the difference, no one has pointed to a single weapon for which the money is to be spent. In fact, it is said it does not apply to anything that is even planned. It is said the plan may come out in September. Whether any weapon will be developed after the plan comes out, and when, we do not know.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment.

I think a fundamental question is involved. Will the United States Senate appropriate money for a project for which no justification has been made? Much has been said about supporting the program of the President. What is the program? I have searched the bill. I have studied hard on the bill, and my staff has worked on it. I have asked them to try to find one place in the bill where a cut could be made without affecting the existing program. I found this one, which starts not a new definite program, but a new indefinite proposal.

I now yield to the distinguished Senator from Illinois.

Mr. DIRKSEN. Mr. President, there has been much argument around the point by those who have not heard the testimony. I heard the testimony. In the first place, let me cite the authority on this item. If the Senator were to

ask the National Security Council had done about it, he would have discovered, even in the hearings in the House, that the project had the blessing of the National Security Council.

Second, if the Senator's staff had run through some of the hearings on the House side, or had talked to someone who had heard the testimony there, he might have learned that this is a manufacturing project mainly, on which a good deal of research has already been done.

It has been indicated that the manufacturer is ready to go into production on weapons which are nonatomic, highly improved, and will cut down the defensive and offensive cost among the NATO countries.

One could not go any further than that on the record. So while there was other discussion off the record, that was sufficient for me. This is a military item. It is ready to go into production. The amount has been cut in half from the amount of the original authorization or request.

Mr. GORE. What is ready to go into production?

Mr. DIRKSEN. If someone were to come and give a description on the Senate floor, that would be a great exhibition of maintaining security on a matter which the President and the military authorities have planned.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. GORE. I yield.

Mr. KNOWLAND. I make a plea to the Senate that this is one of the great problems we have. Of course, we wish to preserve full discussion in the Senate of the United States, but I submit that the great advantage which the Soviet Union has is that they can at least carry on the development of items or matters relating to defense production without having them discussed in a Senate.

The distinguished Senator from Illinois has pointed out that the matter has been given high priority by the National Security Council. It came to the Senate from the House, after the House had heard testimony. It came from our own committee, which heard testimony. I plead with the Senate that it is not necessary to draw diagrams on the floor of the Senate. I do not see him represented tonight, but at least a representative of the Tass agency, of the Soviet Union, who frequently sits in the Press Gallery, can read in the RECORD tomorrow how we have been completely baring our souls on matters affecting the vital security of our country.

Mr. GORE. I shall close briefly, but I could not close without making reference to the statements that have just been made.

This is not the first time I have seen Senators point to the gallery and suggest that Russia might be listening. Mr. President, it is strange to me that if the National Security Council had approved this item, and had given it top priority, neither General Bradley nor General Ridgway had heard about it, and Secretary of Defense Wilson was uninformed about it.

We have heard talk tonight about atomic weapons. I have shown by the RECORD that this is excluded. We have heard talk about research. There is no reference to research in this proposal. Now we are reminded that Tass may be listening.

The item is without justification in the RECORD. The question is whether we want to vote \$50 million of the taxpayers' money for an indefinite proposal for the future, an entirely new item in a program that we hope is coming to an end.

If a reduction can be made in this program without harm, this is it.

SEVERAL SENATOR. Vote! Vote! Vote!

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE].

Mr. DIRKSEN. Mr. President, the RECORD should not stand without a rebuttal of the last statement made by the Senator from Tennessee, because if he had gone to the trouble, even, to read what was in the record, on page 205 of the House hearings, he might have been informed as to whether this was a manufacturing item or not, and how far it would be taken. I simply wish the RECORD to be straight on that point.

The VICE PRESIDENT. The question is on the amendment of the Senator from Tennessee [Mr. GORE].

Mr. GORE. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. GORE. Mr. President, I ask for a division.

The Senate proceeded to divide.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], the Senator from Kansas [Mr. SCHOEPP], the Senator from Ohio [Mr. TAFT], and the Senator from Utah [Mr. WATKINS] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. LEHMAN], and the Senator from Nevada [Mr. MCCARRAN] are necessarily absent.

The Senator from Oklahoma [Mr. KERR] is absent because of a death in his family.

The result was announced—yeas 23, nays 55, as follows:

YEAS—23

Anderson	Johnson, Tex.	Neely
Daniel	Kefauver	Pastore
Douglas	Kennedy	Russell
Frear	Long	Smathers
Goldwater	Mansfield	Sparkman
Gore	McClellan	Symington
Humphrey	Monroney	Williams
Hunt	Murray	

NAYS—55

Alken	Bennett	Butler, Md.
Barrett	Bridges	Carlson
Beall	Bush	Case

Clements	Ives	Morse
Cooper	Jackson	Mundt
Dirksen	Jenner	Payne
Duff	Johnson, Colo.	Potter
Dworshak	Johnston, S. C.	Purtell
Ellender	Kilgore	Robertson
Ferguson	Knowland	Saltonstall
Fulbright	Kuchel	Smith, Maine
Green	Langer	Smith, N. J.
Griswold	Lennon	Stennis
Hayden	Magnuson	Thye
Hendrickson	Malone	Welker
Hennings	Martin	Wiley
Hickenlooper	Maybank	Young
Hoey	McCarthy	
Holland	Millikin	

NOT VOTING—17

Bricker	Eastland	Lehman
Butler, Nebr.	Flanders	McCarran
Byrd	George	Schoeppel
Capehart	Gillette	Taft
Chavez	Hill	Watkins
Cordon	Kerr	

So Mr. GORE's amendment was rejected.

Mr. ELLENDER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 4, line 7, it is proposed to strike out "\$300,000,000" and insert in lieu thereof "\$200,000,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. ELLENDER. Mr. President, the purpose of this amendment is to cut in half the \$400 million in new funds provided in the revised budget estimate to manufacture, through French arsenals, materials of war for Indochina.

This is a brand new program, so far as I can see. I am not permitted this morning to tell the Senate how much we spent through June 30, 1953, to carry on the war in Indochina. It is a secret. But I can tell the Senate that more than two-fifths of the huge amount which we appropriated up to June 30, 1953, has not been spent. We are providing in this bill a sum almost equal to that spent by France during the past year. The \$400 million set out in the revised budget is to be transferred to France so that France, through her arsenals, can manufacture materials of war.

We have been told that the things which are needed in Indochina are not materials of war, but other items. I cannot say what they are.

Mr. WELKER. Why not?

Mr. ELLENDER. Because it is secret. It is in the little book underneath the desk of the Senator from New Hampshire [Mr. BRIDGES].

Mr. President, this is an indirect way of providing economic aid for France. We are now providing for France 38 percent of the amount that is being spent in that country in order to provide her share of her NATO commitments. In addition, we are picking up the check, as it were, in order to pay for the expenses of carrying on the war in Indochina.

Mr. President, I think we have gone beyond the limit. I am not asking that the entire amount be stricken, but since this is a new program, I believe that everyone concerned, including the French Government, should be satisfied

with the appropriation of 50 percent of the amount requested.

Mr. President, as I pointed out earlier this evening, we have spent, in economic aid to France, a total of \$4,718,000,000 since July 1, 1945.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ELLENDER. Under the Marshall plan, France's industrial production has increased to 146 percent of prewar levels. The agricultural production of France has increased to 109 percent of 1938 levels. Her per capita debt, as I indicated, is a pittance compared with our own. In spite of the fact that we are furnishing France 38 percent of her NATO requirements, we are being asked to pick up 60 percent or more of the check for the war in Indochina. I hope the amendment will be agreed to.

Mr. MAYBANK. Mr. President, I ask for order, so I may distinctly understand and so the Senator from Louisiana may express his opinion. My opinion of France and his opinion are entirely different.

Maybe we are paying a large part of the cost of the Indochina War. Maybe we are doing this or that. However, I have great respect for France. I have a great respect for the French people, the Greeks, and the Turks. I know what France has suffered in Indochina. I will vote against the amendment.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. NEELY. Mr. President, I invite the attention of the Senate to the 8th amendment of the Constitution of the United States, which provides that no cruel and unusual punishment shall be inflicted.

Mr. President, the Senate has been in session since 10 o'clock yesterday morning. It is now 20 minutes after 1 in the morning. We have been here for 15 hours and 21 minutes. According to my calculations, we have spent about 50 minutes in action and about 14 hours and 20 minutes in talk.

Two Members of the Senate have died during the past 40 days, victims of such proceedings as we have been witnessing for some time. Perhaps it would be all right if something would befall the "gas bags" responsible for the affliction; but unfortunately, as was said in the House by General MacArthur, the "gas bags" are like old soldiers; they never die. But they never fade away either. [Laughter.]

If it is necessary to be killed, I am just as ready as anyone else in this body to go, but I object to the cruel and unusual punishment of being talked to death.

From now on, I notify my friends, no Senator will yield for anything but a question without a point of order being made against it. There are going to be no more wind-bag speeches on the pretext of asking a question.

Mr. DIRKSEN. Mr. President, the pending amendment should be voted down by an overwhelming majority. It would affect one of the most delicate sections in the whole bill. The bill carried \$400 million when it left the House. In its present form it carries \$300 million. The Senate committee cut

\$100 million from the bill. It did so for a good reason.

The reason was based on confidential testimony of General Stewart and Admiral Radford, and other witnesses, and that testimony cannot be revealed on the floor of the Senate. I shall not do so.

It is a very delicate subject, for many reasons. In the first place, there is a new general in command in Indochina. He is General Navarre. The war has been stepped up out there. In the second place, there has been forming a new sentiment in Paris under the new Prime Minister, and I for one will not embarrass him.

I say there is ample justification for the action taken in cutting \$100 million of the item by the Senate committee.

The other point I wish to make is that with the Korean war over, there is an exposed right flank in that area, and I will not endanger anyone by my vote at this time.

Finally, what do Senators think the alternative will be if the French should give up in Indochina? The alternative will be for the U. N. to step in, and that means for the United States to step in with its troops. If that is what Senators want, they should vote to cut the amount by another \$100 million.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the clerks be authorized to make corrections in the section numbers of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The question is on the passage of the bill.

Mr. LANGER and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], the Senator from Nebraska [Mr. GRISWOLD], the Senator from Kansas [Mr. SCHOEPPPEL], the Senator from Ohio [Mr. TAFT], the Senator from Utah [Mr. WATKINS] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. LEHMAN], and the Senator from Nevada [Mr. McCARRAN] are necessarily absent.

The Senator from Oklahoma [Mr. KERR] is absent because of a death in his family.

The Senator from Virginia [Mr. BYRD] is paired on this vote with the Senator

from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Mississippi would vote "yea."

I announce further that if present and voting, the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], and the Senator from New York [Mr. LEHMAN] each would vote "yea."

The result was announced—yeas 69, nays 10, as follows:

YEAS—69

Alken	Hendrickson	McClellan
Anderson	Hennings	Millikin
Barrett	Hickenlooper	Monroney
Beall	Hoey	Morse
Bennett	Holland	Mundt
Bridges	Humphrey	Murray
Bush	Hunt	Neely
Butler, Md.	Ives	Pastore
Carlson	Jackson	Payne
Case	Johnson, Colo.	Potter
Clements	Johnson, Tex.	Purtell
Cooper	Kefauver	Robertson
Daniel	Kennedy	Russell
Dirksen	Kilgore	Saltonstall
Douglas	Knowland	Smathers
Duff	Kuchel	Smith, Maine
Ellender	Lennon	Smith, N. J.
Ferguson	Long	Sparkman
Frear	Magnuson	Stennis
Fulbright	Mansfield	Symington
Gore	Martin	Thye
Green	Maybank	Wiley
Hayden	McCarthy	Williams

NAYS—10

Bricker	Jenner	Welker
Capehart	Johnston, S. C.	Young
Dworshak	Langer	
Goldwater	Malone	

NOT VOTING—16

Butler, Nebr.	George	McCarran
Byrd	Gillette	Schoeppel
Chavez	Griswold	Taft
Cordon	Hill	Watkins
Eastland	Kerr	
Flanders	Lehman	

So the bill (H. R. 6391) was passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. SALTONSTALL, Mr. DIRKSEN, Mr. HAYDEN, Mr. RUSSELL, Mr. McCARRAN, and Mr. CHAVEZ conferees on the part of the Senate.

SUPPLEMENTAL APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 6200, calendar 676, making supplemental appropriations for the fiscal year 1954. Let me say that my purpose in making the motion is to have the bill made the unfinished business.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6200) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

ADDITIONAL BILL INTRODUCED

Mr. KUCHEL (for himself and Mr. KNOWLAND) by unanimous consent introduced a bill (S. 2521) to authorize the Secretary of the Interior to construct, operate, and maintain certain facilities

to provide water for irrigation and domestic use from the Santa Margarita River, Calif., and the joint utilization of a dam and reservoir and other water-work facilities by the Department of the Interior and the Department of the Navy, and for other purposes, which was read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF RENEGOTIATION ACT OF 1951—AMENDMENTS

Mr. LONG submitted amendments intended to be proposed by him to the bill (H. R. 6287) to extend and amend the Renegotiation Act of 1951, which were ordered to lie on the table and to be printed.

ADDITIONAL ARTICLES PRINTED IN THE APPENDIX

On request, and by unanimous consent, additional articles were ordered to be printed in the Appendix, as follows:

By Mr. BRIDGES:

Article entitled "Bridges Offers Bill To Revive Gold Standard," published in the Chicago Daily Tribune of July 10, 1953.

By Mr. KUCHEL:

Article entitled "Nixon Has Unique Role in the Administration," written by Arthur Krock, and published in the New York Times of July 26, 1953.

By Mr. CLEMENTS:

Article dealing with Kentucky's contributions to the Korean war, written by Lorenzo Martin, and published in the Louisville Times.

PHILIP M. KAISER

Mr. KUCHEL. Mr. President, the resignation of Philip M. Kaiser, Assistant Secretary of Labor for International Affairs, has been accepted by the President, and he left the Government service a few weeks ago. I should like to call to the attention of the Senate the contributions to the Nation that Mr. Kaiser has made during his 13 years of Government service, and particularly since he was appointed Assistant Secretary of Labor 4 years ago.

Mr. Kaiser has been responsible for organizing and supervising United States Government activities in the field of international labor. During the period of his leadership, United States Government policies and programs have become sensitive to the crucial importance of the cooperative forces of free labor throughout the world as a bulwark against Communist penetration and subversion.

Thanks to the help of Mr. Kaiser, our Government is better organized to deal with problems throughout the world affecting labor. In the Foreign Service we have a corps of some 40 labor attachés stationed in our embassies at key capitals throughout the world. It is the job of these men to develop the closest contacts with trade unions and labor people in the countries to which they are assigned, and report to the Ambassadors and to Washington on significant political, social, and economic developments in the labor field. It is the consensus of ambassadorial opinion that the labor attachés are now indispensable to the effective operation of our embassies; their reports and evaluation of events con-

tribute substantially as material in Washington for policy judgments.

Mr. Kaiser served as a member of President Truman's interdepartmental committee to help develop point 4. The Department of Labor has played an important part in point 4; labor technicians are stationed in such key areas as Indonesia, Iran, and Brazil, and programs are in operation for many hundreds of labor trainees from all parts of the world. The programs' emphasis has been on strengthening the forces of free labor in underdeveloped areas.

Mr. Kaiser served as the United States Government representative to the International Labor Organization, and helped the United States make an optimum contribution to its work. Mr. Kaiser represented the Labor Department in the trade agreements program, and he has served as participant and adviser in international conferences and meetings.

Mr. Kaiser is a fine example of a devoted public servant who contributed in good measure to improving the relationships among the free countries of the world, and who has helped to establish for our country strength, alliances, and goodwill in the world, as well as improved understanding of the forces at work outside our shores. I wish to express my thanks and appreciation for his services to his Government and the cause of democracy.

TRIP-LEASING

Mr. JOHNSON of Colorado. Mr. President, earlier today a resolution from the Senate Committee on Agriculture and Forestry, dealing with the problem of trip-leasing, was, at the request of the Senator from Vermont [Mr. AIKEN], printed in the body of the RECORD. I now ask unanimous consent to have printed in the RECORD a letter dealing with the same problem. The letter comes from the Honorable J. M. Johnson, Chairman of the Interstate Commerce Commission. I should like to have the letter printed following the statement of the Senator from Vermont and the resolution he presented, but I am informed that it is too late to have that done.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, July 29, 1953.

The Honorable EDWIN C. JOHNSON,
United States Senate,
Washington, D. C.

DEAR SENATOR JOHNSON: In compliance with your letter of July 29, 1953, I am attaching below your questions and our answers concerning H. R. 3203, the trip-leasing bill:

1. If a farmer in Florida hauled in his truck a load of his agricultural nonprocessed products to the markets in New York could he "trip lease" for less than 30 days from New York? Answer: Yes.

2. Could a farmers' cooperative in Florida haul a load of his co-op agricultural nonprocessed products to New York and trip lease out of New York for less than 30 days? Answer: No, but this matter is being given further serious consideration by the Commission.

3. Would the regulations with respect to such trip leasing by such farmer or farmer cooperative member be unduly harsh or unnecessarily onerous and would such regulations be aimed at discontinuing or discouraging such farmers from engaging in trip leasing? Answer: No.

4. By denying, as is proposed by H. R. 3203, the right of the Interstate Commerce Commission to have jurisdiction over compensation paid to trip leasers, break down the rate-making authority of the Interstate Commerce Commission to regulate transportation? Answer: Yes; tends to break down rate structure.

5. Would this compensation provision in H. R. 3203 have the effect of amending the basic laws governing regulation of rate making long exercised by the Interstate Commerce Commission? Answer: Yes.

Cordially yours,

J. M. JOHNSON, *Chairman.*

AUTHORIZATION TO PRINT MATERIAL RELATING TO THE TREATY-MAKING PROVISION OF THE CONSTITUTION

Mr. WILEY. Mr. President, I ask unanimous consent to have published in the final edition of the CONGRESSIONAL RECORD certain material with regard to the treaty-making power in our Constitution.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORIZATION TO PRINT MATERIAL RELATING TO CHALLENGES TO OUR COUNTRY AT HOME AND ABROAD

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the final edition of the CONGRESSIONAL RECORD, to be issued during the congressional recess, certain material with regard to the challenges to our country at home and abroad.

The VICE PRESIDENT. Without objection, it is so ordered.

RECESS

Mr. KNOWLAND. Mr. President, I move that the Senate stand in recess until 11 o'clock this morning.

The motion was agreed to; and (at 1 o'clock and 34 minutes a. m., Thursday, July 30, 1953) the Senate took a recess until 11 o'clock a. m. the same day.

NOMINATIONS

Executive nominations received by the Senate July 29 (legislative day of July 27), 1953:

DIPLOMATIC AND FOREIGN SERVICE

William J. Donovan, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Thailand.

Lester D. Mallory, of Washington, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

DEPARTMENT OF LABOR

Rocco C. Siciliano, of Illinois, to be an Assistant Secretary of Labor.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Chester Scott Keefer, of Massachusetts, to be special assistant on health and medical affairs to the Secretary of Health, Education, and Welfare.

INTERNATIONAL DEVELOPMENT ADVISORY BOARD
Eric A. Johnston, of Washington, to be Chairman of the International Development Advisory Board.

UNITED STATES TARIFF COMMISSION

Walter R. Schreiber, of Maryland, to be a member of the United States Tariff Commission for the term expiring June 16, 1958.

COUNCIL OF ECONOMIC ADVISERS

Arthur F. Burns, of New York, to be a member of the Council of Economic Advisers.

RAILROAD RETIREMENT BOARD

Raymond J. Kelly, of Michigan, to be a member of the Railroad Retirement Board for the remainder of the term expiring August 28, 1957, vice William J. Kennedy, resigned.

ASSISTANT COMMISSIONER OF PATENTS

Mrs. Robert W. Leeds, of New Jersey, to the position of Assistant Commissioner of Patents.

CALIFORNIA DEBRIS COMMISSION

Col. Arthur H. Frye, Jr., Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved March 1, 1893 (27 Stat. 507) (33 U. S. C. 661), vice Col. William R. Shuler, reassigned.

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

Robert M. Weston, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia, for the term of 3 years, expiring June 30, 1956, vice Kenneth W. Spencer, resigned.

UNITED STATES ASSAY OFFICE

Charles E. Dusenberry, of New York, to be Superintendent of the United States Assay Office at New York, N. Y.

COLLECTORS OF CUSTOMS

Louis V. Dorp, of Pennsylvania, to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia, Pa.

Olivia C. Erpenbach, of Minnesota, to be collector of customs for customs collection district No. 35, with headquarters at Minneapolis, Minn.

William N. Kerfoot, of Minnesota, to be collector of customs for customs collection district No. 36, with headquarters at Duluth, Minn.

James W. Bingham, of Texas, to be collector of customs for customs collection district No. 22, with headquarters at Galveston, Tex.

SURVEYOR OF CUSTOMS

Harry Edwards, of New York, to be surveyor of customs in customs collection district No. 10, with headquarters at New York, N. Y.

POSTMASTERS

The following-named persons to be postmasters:

KANSAS

Charles J. Bowie, Oakley, Kans., in place of C. M. Harrison, transferred.

MASSACHUSETTS

Wilbert L. Randall, Newburyport, Mass., in place of J. W. Kelley, retired.

NEW JERSEY

Alpheus M. Lewis, Somerville, N. J., in place of B. W. Moore, retired.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 31, 1953
For actions of July 30, 1953
83rd-1st, No. 144

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F. C. A.....1	Loans, forestry.....10,18	Taxation.....30
Farm program.....29	Minerals.....4	Trade, foreign.....11
Food standards.....6	Natural resources.....34	Veterans' benefits.....22
Foreign aid.....2,25,39		

HIGHLIGHTS: Famine-relief bill was sent to conference. House received conference reports on FCA reorganization and foreign-aid appropriation bills. House passed crop-insurance and forest-loans bills. House committee agreed on cotton-allotments bill. Senate passed supplemental appropriation bill. Both Houses received President's debt-increase message. Senate committees reported forest loans and penalty mail reimbursement bills. Sen. Morse introduced and discussed bill to refer O. & C. land case to court.

HOUSE

1. FCA REORGANIZATION. Received the conference report on this bill, H.R. 4353 (pp. 10829-33). The report includes the following statement by the House conferees: "The conference substitute follows in general the provisions of the House bill except for minor and clarifying changes, the differences between the conference substitute and the bill as passed the House are...": The committee agreed to strike out the first 2 sentences of section 3 and insert "The Farm Credit Administration shall be an independent agency in the executive branch of the Government. It shall be housed in the Department of Agriculture ..., and it may, with the consent of the Secretary of Agriculture, utilize the services and facilities of the Department of Agriculture"; agreed to make permanent a Board of 13 members, one of whom shall be appointed by the Secretary (originally the bill provided that the appointee of the Secretary would be temporary, pending the retirement of Government capital); agreed to the Senate provision that "where a farm-credit district consists of more than one State, this fact shall be a consideration in the election of members of the district board" (the House bill contained no requirement as to State representation).

2. FOREIGN-AID APPROPRIATION BILL. Received the conference report on this bill, H.R. 6391. The conferees agreed to reinstate the House language limiting the use of funds for certain expenses related to the transportation of household goods and personal effects of employees; agreed to insert Senate language providing that not less than \$100,000,000 shall be used to carry out the provisions of Section 550 relating to the distribution of agricultural commodities (the funds provided by this language are in addition to, and not in substitution for, funds available for economic assistance in the form of agricultural commodities); and agreed to include a Senate amendment that requires at least 50% of the gross tonnage of equipment, etc., transported on ocean vessels to be on U.S. flag vessels (pp. 10850-51). Conferees had been appointed earlier that day (p. 10747).
3. CROP INSURANCE. Passed S. 1367, to extend Federal crop insurance into additional counties, with an amendment substituting the language of H.R. 4211 (P. 10752).
4. MINERALS. The Interior and Insular Affairs Committee reported with amendment H.R. 3306, relating to the reservation of mineral rights in land patented under the nonmineral land laws (H. Rept. 1052) (p. 10852).
Both Houses agreed to the conference report on S. 2220, amending the mineral leasing laws with respect to their application in the case of pipeline passing through the public domain (pp. 10785, 10873). This bill will now be sent to the President.
5. RUBBER. Both Houses agreed to the second conference report on H.R. 5728, to authorize disposal of Government-owned rubber-producing facilities (pp. 10785, 10872-73, 10833-39). This bill will now be sent to the President.
6. FOOD STANDARDS. Passed without amendment H.R. 6434, to amend the Federal Food, Drug, and Cosmetic Act to simplify the procedures establishing food standards (p. 10753).
7. PUBLIC LANDS; RECLAMATION. Passed as reported S. 887, to permit the exchange and amendment of farm units on Federal irrigation projects (pp. 10759, 10774-6).
8. RECLAMATION. Passed as reported S. 2097, to increase the amount authorized to be appropriated for construction of the Eklutna project, Alaska (pp. 10785-86).
Discussed and, at the request of Rep. Jones (Mo.), passed over H.R. 5731, to authorize the Secretary of Interior to construct, etc., facilities to provide for irrigation and domestic use from the Santa Margarita River, Calif. (pp. 10828-29).
9. LAND EXCHANGE. Passed as reported H.R. 2839, to enable the Hawaiian Homes Commission to exchange its available lands for public lands (p. 10760).
10. FOREST LOANS. Passed as reported H.R. 5603, to amend the Federal Reserve Act to authorize national banking associations to make loans on forest tracts (p. 10757).
11. FOREIGN TRADE. Passed without amendment H.R. 2763, to reduce the duty on the importation of wood dowels, and to provide for duty-free importation of unfinished wood dowels (pp. 10797-98).
Passed without amendment S. Con. Res. 40, favoring the placing of the inscription "United States of America" on containers of American-made goods for export (pp. 10756-57).
12. SAFETY COUNCIL. Conferees were appointed on S. 1105, to incorporate the National Safety Council (p. 10828).

MUTUAL SECURITY APPROPRIATION BILL, 1954

JULY 30, 1953.—Ordered to be printed

Mr. TABER, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 6391]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 12, 13, 19, 29, and 30.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 17, 20, 23, 27, and 28, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: , *together with not to exceed \$1,311,977,003 of the unobligated balances of appropriations heretofore made for military assistance, Europe, which balances shall be consolidated with this appropriation;* and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment amended to read as follows: *together with not to exceed \$312,713,221 of the unobligated*

balances of appropriations heretofore made for military assistance, Near East and Africa, which balances shall be consolidated with this appropriation; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment amended to read as follows: , *together with not to exceed \$256,843,411 of the unobligated balances of appropriations heretofore made for military and other assistance, Asia and the Pacific, which balances shall be consolidated with this appropriation; and the Senate agree to the same.*

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment amended to read as follows: , *together with not to exceed \$50,723,170 of the unobligated balances of appropriations heretofore made for military assistance, American Republics, which balances shall be consolidated with this appropriation; and the Senate agree to the same.*

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$220,000,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: , *together with not to exceed \$115,706,906 of the unobligated balances of appropriations heretofore made for the purposes of this paragraph of which unobligated balances, \$75,049,926 shall be available only for assistance to Spain and \$37,500,000 shall be available for aircraft production in Italy; and the Senate agree to the same.*

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment amended to read as follows: , *together with not to exceed \$17,821,596 of the unobligated balances of appropriations heretofore made for this purpose, which balances shall be consolidated with this appropriation; and the Senate agree to the same.*

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$33,792,500; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$51,278,001, *together with not to exceed \$10,821,999 of the unobligated balances of appropriations heretofore made for economic and technical assistance, Asia and the Pacific, which balances shall be consolidated with this appropriation;* and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$22,342,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$147,000,000; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and proposed by said amendment insert:

Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, \$9,500,000;

And the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and proposed by said amendment insert the following:

International children's welfare work: For contributions during the fiscal year 1954 as authorized by law, \$9,814,333;

And the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: , *together with not to exceed \$244,834 of the unobligated balances heretofore appropriated for this purpose, which balances shall be consolidated with this appropriation*; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$50,700,000; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In line one of the matter inserted by said amendment strike out "105" and insert in lieu thereof 104; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

SEC. 106. The Administrator shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

And the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *SEC. 107.*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *SEC. 108.*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 26, 31, and 33.

JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
NORRIS COTTON,
GERALD R. FORD, Jr.,
J. VAUGHAN GARY,
JOHN J. ROONEY (with reservations),
CLARENCE CANNON,

Managers on the Part of the House.

STYLES BRIDGES,
HOMER FERGUSON,
LEVERETT SALTONSTALL,
EVERETT M. DIRKSEN,
CARL HAYDEN,
RICHARD B. RUSSELL,
DENNIS CHAVEZ,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6391) making appropriations for Mutual Security, for the fiscal year ending June 30, 1954, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1 and 2, relating to military assistance, Europe, appropriate \$1,860,000,000 in new authority as proposed by the House instead of \$1,900,000,000 as proposed by the Senate, and carry forward \$1,311,977,003 of unobligated balances.

Amendments Nos. 3 and 4, relating to military assistance, Near East and Africa, appropriate \$30,000,000 in new authority as proposed by the Senate instead of \$50,000,000 as proposed by the House, and carry forward \$312,713,221 of unobligated balances.

Amendments Nos. 5 and 6, relating to military and other assistance, Asia and the Pacific, appropriate \$1,035,000,000 in new authority as proposed by the Senate instead of \$985,000,000 as proposed by the House, and carry forward \$256,843,411 of unobligated balances.

Amendment No. 7, reported in disagreement.

Amendment No. 8, relating to military assistance, American Republics, carries forward \$50,723,170 of unobligated balances.

Amendments Nos. 9 and 10, relating to mutual defense financing, defense support, economic and technical assistance, Europe, appropriate \$220,000,000 of new authority instead of \$218,000,000 as proposed by the House and \$240,000,000 as proposed by the Senate, and carry forward unobligated balances of \$115,706,906. Of the unobligated balances carried forward \$75,049,926 is made available for assistance to Spain and \$37,500,000 is made available for aircraft production in Italy.

Amendment No. 11, relating to mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam, carries forward \$17,821,596 of unobligated balances.

Amendment No. 12, relating to mutual defense financing, for equipment, materials and services for forces in the Associated States of Cambodia, Laos, and Vietnam, appropriates new authority of \$400,000,000 as proposed by the House instead of \$300,000,000 as proposed by the Senate.

Amendment No. 13, relating to mutual special weapons planning, eliminates language proposed by the Senate.

Amendment No. 14, relating to economic and technical assistance, Near East and Africa, appropriates new authority of \$33,792,500 instead of \$24,000,000 as proposed by the House and \$42,743,499 as proposed by the Senate.

Amendment No. 15, relating to economic and technical assistance, defense support, Asia and the Pacific, other than Formosa and the

Associated States of Cambodia, Laos, and Vietnam, appropriates new authority of \$51,278,001 instead of \$33,000,000 as proposed by the House and \$61,278,001 as proposed by the Senate, and carries forward unobligated balances of \$10,821,999.

Amendment No. 16, relating to technical assistance, American Republics and non-self-governing territories of the Western Hemisphere, appropriates new authority of \$22,342,000 instead of \$20,000,000 as proposed by the House and \$24,342,000 as proposed by the Senate.

Amendment No. 17, relating to basic materials development, appropriates new authority of \$19,000,000 as proposed by the Senate instead of \$23,000,000 as proposed by the House.

Amendment No. 18, relating to special economic assistance, Near East and Africa, appropriates new authority of \$147,000,000 instead of \$120,000,000 as proposed by the House and \$164,000,000 as proposed by the Senate.

Amendment No. 19, relating to Palestine refugee program, restores paragraph stricken by the Senate.

Amendment No. 20, relating to movement of migrants, appropriates new authority of \$7,500,000 as proposed by the Senate instead of \$10,000,000 as proposed by the House.

Amendment No. 21, relating to multilateral technical cooperation, appropriates new authority of \$9,500,000 for the fiscal year 1954 as proposed by the Senate and eliminates new authority of \$4,595,812 for the calendar year 1953 proposed by the Senate.

Amendment No. 22, relating to International Children's Welfare Work, appropriates new authority of \$9,814,333 for the fiscal year 1954 and eliminates new authority of \$9,000,000 proposed by the Senate.

Amendments Nos. 23 and 24, relating to ocean freight, voluntary relief shipments, appropriate \$1,580,166 in new authority as proposed by the Senate instead of \$1,428,000 as proposed by the House, and carry forward unobligated balances of \$244,834.

Amendment No. 25, relating to contributions to United Nations Korean Reconstruction Agency, appropriates new authority of \$50,700,000 instead of \$50,000,000 as proposed by the House and \$70,300,000 as proposed by the Senate.

Amendment No. 26, relating to unexpended balances, reported in disagreement.

Amendment No. 27, relating to the Institute of Inter-American Affairs, provides authority for continuation of the Institute of Inter-American Affairs during the fiscal year 1954 as proposed by the Senate.

Amendment No. 28 changes section number.

Amendment No. 29 reinstates language proposed by the House and stricken by the Senate limiting the use of funds for certain expenses related to the transportation of household goods and personal effects of employees.

Amendment No. 30 deletes Senate language to limit the use of funds for shipbuilding outside the continental limits of the United States.

Amendment No. 31 reported in disagreement.

Amendment No. 32 inserts Senate language providing that not less than \$100,000,000 shall be used to carry out the provisions of section

550 relating to the distribution of agricultural commodities. The funds provided by this language are in addition to, and not in substitution for, funds available under sections 541 and 548 for economic assistance in the form of agricultural commodities.

Amendment No. 33 reported in disagreement.

Amendment No. 34 requires that at least 50 percent of the gross tonnage of equipment, materials, or commodities transported on ocean vessels shall be transported on United States flag vessels as proposed by the Senate.

Amendments Nos. 35 and 36 change section numbers.

JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
NORRIS COTTON,
GERALD R. FORD, Jr.,
J. VAUGHAN GARY,
JOHN J. ROONEY (with
reservations),
CLARENCE CANNON,
Managers on the Part of the House.

(

House of Representatives

THURSDAY, JULY 30, 1953

The House met at 11 o'clock a. m.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication, which was read:

I hereby designate the Honorable CHARLES A. HALLECK to act as Speaker pro tempore today.

JOSEPH W. MARTIN, Jr.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who wert the God of our fathers and hast made us a nation great in material resources, may our prosperity and progress never cause us to lose sight of the need of building our Republic upon moral and spiritual foundations.

We pray that we may cultivate a capacity for utilizing and rightly interpreting the history and experiences of other nations and preceding generations which teach us that where there is no vision the people perish.

Help us in our times of adversity and untoward circumstances to feel the challenge of a faith that is adventurous and courageous and God fearing.

May all the Members of the Congress be men and women of light and of leading, bringing hope to the vast multitudes who are disappointed and discouraged and are tempted to surrender to disillusionment and defeatism, to fear and frustration.

In the name of the conquering Christ we offer our prayer. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5256. An act to amend the Internal Revenue Code with respect to the retirement of judges of the Tax Court of the United States.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5741. An act to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 46. Concurrent resolution favoring international agreements for limitation of armaments.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6391. An act making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. SALTONSTALL, Mr. DIRKSEN, Mr. HAYDEN, Mr. RUSSELL, Mr. McCARRAN, and Mr. CHAVEZ to be the conferees on the part of the Senate.

MUTUAL SECURITY APPROPRIATIONS, 1954

Mr. TABER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees on the part of the House: MESSRS. TABER, WIGGLESWORTH, H. CARL ANDERSEN, FENTON, COTTON, DAVIS of Wisconsin, FORD, GARY, ROONEY, PASSMAN, and CANNON.

There was no objection.

ORDER OF BUSINESS FOR TODAY

Mr. RAYBURN. Mr. Speaker, many Members would like to know in just what order the legislative program will be called up today.

The SPEAKER pro tempore. It is the purpose, as I understand, to call the Consent Calendar first, and then the call of the Private Calendar. The Eklutna project in Alaska is next to be called, and I might say to the gentleman, I express the hope that some negotiations might be had looking to the consideration of that measure by unanimous consent. Then

we propose to call the bill to amend the Natural Gas Act, the New York-New Jersey Company Act, and follow that, so far as we can see now, with the bill providing for additional Federal judges.

Mr. RAYBURN. I thank the gentleman.

Mr. ELLSWORTH. Did I hear the majority leader refer to H. R. 4646?

The SPEAKER pro tempore. No.

CORRECTION OF VOTE

Mr. OAKMAN. Mr. Speaker, on rollcall No. 114, I am recorded as not voting. I was present and voted "nay." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CORRECTION OF ROLL CALL

Mr. HIESTAND. Mr. Speaker, on rollcall No. 10, on March 10, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL ORDER

Mr. JAVITS. Mr. Speaker, if it is permissible, I ask unanimous consent that on the special order I have for today I may insert the title of my address at the appropriate place and otherwise to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House today for 5 minutes, following any special orders heretofore entered.

Mr. MILLER of California asked and was given permission to address the House for 15 minutes on tomorrow, following any special orders heretofore entered.

THE LATE JAMES JOSEPH CONNOLLY

Mr. WALTER. Mr. Speaker, it is with heavy heart that I announce the death of our beloved and honored former col-

league, the Honorable James Joseph Connolly, of Pennsylvania.

It had been my privilege and pleasure to know Mr. Connolly over a number of years and I count it an honor to have served with him in the Congress of the United States. Throughout our association I came to know Mr. Connolly well and had learned to respect him as a man of ability, integrity, and strong character.

Mr. Connolly was born in Philadelphia, Pa., September 24, 1881. He was engaged in the real estate business; was a member of the Republican State committee and served as financial secretary of the Republican City committee of Philadelphia. Mr. Connolly was elected to the 67th Congress and for 14 years served his district, State, and the Nation in a most statesmanlike manner. He was ever alert to the needs of his colleagues and the people he served.

Mr. Connolly was a fine public servant and a devoted father. I am sure I voice the sentiments of all who served with him when I express to his family our sincere sympathies.

(Mr. WALTER asked and was given permission to revise and extend his remarks.)

CORRECTION OF THE RECORD

Mr. CELLER. Mr. Speaker, I ask unanimous consent to correct the RECORD of yesterday on page 10633, first and second columns, in the statement and the report concerning the submerged-lands bill. The following language is attributed to me: "(accepts as to section 9, Hill amendment)." That should read, in both places "(except as to section 9, Hill amendment)."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONSENT CALENDAR

The SPEAKER pro tempore. Pursuant to the order of the House of yesterday, the Clerk will call the first bill on the Consent Calendar.

NATIONAL SCIENCE FOUNDATION

The Clerk called the bill (H. R. 4689) to amend the National Science Foundation Act of 1950.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COMPENSATION OF VETERANS

The Clerk called the bill (H. R. 631) to provide that compensation of veterans for service-connected disability, rated 20 percent or less disabling, shall be paid quarterly rather than monthly.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PENSION BENEFITS

The Clerk called the bill (H. R. 5380) to extend pension benefits under the laws reenacted by Public Law 269, 74th Congress, August 13, 1935, as now or hereafter amended, to certain persons who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

INTERNATIONAL PEACE GARDEN, NORTH DAKOTA

The Clerk called the bill (H. R. 3985) to authorize the appropriation of additional funds to complete the International Peace Garden, North Dakota.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. KRUEGER. I reserve the right to object to the motion of the gentleman from Wisconsin [Mr. BYRNES] to pass over H. R. 3986, increasing the appropriation of the International Peace Garden from the original \$100,00 set up in 1949 to \$200,000. I believe that after an explanation of the measure, the gentleman will withdraw his objections.

This Nation represents itself as devoted to the cause of international peace and good will. This Congress has been asked to approve vast sums as evidence of this purpose. This we have done.

House and Senate conferees only yesterday approved an appropriation of \$34.3 billion for arms for our national defense; a few days ago this House approved \$4.33 billion for mutual security—an effort to buy good will abroad. We hand out billions for war preparations; we give away other billions trying to buy the respect that we should earn.

The International Peace Garden was established in 1932, a voluntary expression of the good will existing between Canada and the United States—a garden devoted to the cause of peace and marking the 150 years of harmonious relations enjoyed between the two nations, near the center of the thousands of miles of unfortified boundary. It is a living memorial to the principles of peace.

The National Park Service has assisted in the preparation of the plans for a simple garden development, plans ap-

proved by the Department of the Interior. The land for the garden was contributed by the States of North Dakota and the Province of Manitoba. The International Peace Garden, Inc., has given funds; private individuals and school children have aided. Total contributions since 1947, other than funds from this Government, total \$201,000. The Congress in 1949 appropriated \$100,000, and this has been spent in careful, conservative fashion through contract management with the State of North Dakota. The funds enabled the work to progress in an orderly manner, and the balance is being used to maintain construction this year in proportion to the work being done by the Canadians.

The Bureau of the Budget says that the obligation of this Government has been fulfilled. It may be technically fulfilled under the original authorization, but if peace is worth buying with billions overseas, it should be worth a contribution of \$100,000 in our own country. If this request were for millions of dollars, I could understand the objection.

I know of no Government project where so little has accomplished so much in a material way, even in the face of rising costs of material and labor during the past 4 years. It would seem that our peaceful intent as a nation can be expressed in no better fashion than in green and growing things.

Individuals, the provincial and dominion governments, have given twice as much toward this cause as Congress has previously allowed. It would seem that the greatest nation in the world could carry an equal share without undue hardship.

I am grateful for the support of my senior colleague from North Dakota [Mr. BURDICK], with whom I share an interest in the promotion of peace. I sincerely hope this brief discussion will overcome the objections to this bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PROVIDING A DECREE OF COMPETENCY FOR UNITED STATES INDIANS IN CERTAIN CASES

The Clerk called the bill (H. R. 4985) to provide a decree of competency for United States Indians in certain cases.

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

IMPOUNDING OF MAIL IN CERTAIN CASES

The Clerk called the bill (H. R. 569) to authorize the Postmaster General to impound mail in certain cases.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

fund which is paid for by workers and their employers on a nongraduated basis without any exemptions. By ending the democratic ability to pay tax system for supporting the needy aged, the chamber is lowering taxes for those most able to pay, and raising taxes for those least able to pay.

And while adding to the workingman's burden, the chamber's proposal may actually reduce the workingman's benefits. Why? Because the money that the workers have been paying into the trust fund for their own pensions will be diverted to pay for the pensions of others who never contributed. In my opinion this is completely unfair. It is another giveaway, not with the Federal Government, but the working men and women of America as the Santa Claus.

Another announced aim of the chamber is to give immediate pensions to about 2.5 million people over 65 who have retired but who are getting neither OASI benefits nor old-age assistance. These are people who never contributed to the trust fund inasmuch as they worked in jobs which were not covered by social security. By and large, they are people who have some income from savings or other sources and are able to get along—granted, not very well in many cases, but get along nonetheless—without either OASI or public assistance.

As in the case of the pensions of the people now on relief, the pension for these retired people would be so small as to be almost worthless. Twenty-five dollars a month or \$300 a year is hardly my idea of meeting the needs of our senior citizens.

Another factor must not be overlooked. Giving even these pitiful pensions to this group means smaller pensions for those who have contributed to social security all their lives, since it means a drain on the OASI fund.

If pensions are to be given to this non-needy retired group, they should be decent-sized pensions, paid for out of the general tax revenues which are collected on the basis of ability to pay.

Another aim of the chamber is to broaden coverage for workers to bring all workers not now covered by social security into the system and to start taking contributions from them. This would include primarily such people as farmers and certain professional people not now covered, and others as well. In this aim of the chamber of commerce I heartily concur. Democrats both here in Congress and in the White House have been proposing universal coverage for years. I am glad to see that our more conservative acquaintances are finally waking up to what we have been saying for years.

I should like to point out, however, that the Democrats are not just satisfied with extending coverage. We feel there are other things that have to be done in order to improve our old-age insurance program.

Benefits need to be raised, not only to keep pace with the increases in the cost of living, but also to provide a greater amount of security and protection for our aged. Surely a nation which last

year reached a national income of \$300 billion and which this year is turning out goods and services at the rate of \$361 billion can afford to devote a larger portion of its income to protecting its aged citizens. National income has increased almost fivefold since social security started. Our national production of goods and services has increased by almost the same amount. The increase in social security benefits has nowhere approached the increase in the economic strength of our Nation. At present, the maximum monthly old-age payment for a single person is \$85, of a man and wife over 65—\$127.50, and for a family—\$168.75. All of these maximums should be raised. A family, for instance, should get at least \$200 a month. In talking about these payments we must realize that the figures I have used are maximum figures. The average amounts actually paid out are much smaller; for example, the average payment for an individual is \$50 a month. Is it any wonder that we want the benefits raised?

The limitation on the amount of money a person may earn and still get benefits should be ended. At present if a person over 65 earns more than \$75 a month from a job he loses his old-age benefits for that month. He would not however, lose his benefits if the income came from a source other than a job—rent, or dividends on stocks—even if the income ran into thousands of dollars a month. To end this discrimination, the Democratic platform in 1952 urged the complete elimination of the earning limitation. The removal of the limitation will mean that workers over 65 can get the extra income provided by social security, and also continue to be useful and productive citizens for their own welfare and that of the economy as a whole.

The limit on the amount of wages to be taxed and used in computing benefits should be raised from \$3,600 to \$6,000 a year. This would mean that all the earnings of 96 percent of the workers covered could be used as a basis for computing benefits. Back in 1939, when the limit was \$3,000 a year, 90 percent of all covered workers had earnings of less than \$3,000. By raising the limit to \$6,000 that relationship would be restored.

The retirement age for women should be lowered from 65 to 60. Most husbands are older than their wives. As a result, many wives are still not old enough to qualify for old-age benefits when their husbands reach 65. Thus, many men, I am sure, postpone retirement until such time as their wives reach 65 and become eligible for benefits. Lowering the age limit for women would help many couples to enjoy a longer, more secure retirement.

All persons over 65 who are covered by social security should be given hospitalization insurance without extra cost. To a retired person on a fixed income, the cost of hospital care could be catastrophic. Even if a retired person could afford to pay the premiums on an insurance policy which would cover the cost of hospital care, all too often the insurance companies refuse to give such

a man a policy because he is considered a bad health risk. If the social-security program covered such insurance, the risk could be spread over a larger number of people, and our older citizens could know the peace of mind that comes with insurance protection.

Gentlemen, my belief and the belief of many of my fellow Democrats in the improvements I have just suggested are not limited to talk and promises. Thirty of us—both in the Senate and House—just this month introduced identical bills to carry out many of the improvements I have suggested today. The bills also include improvements in other portions of our social-security program—higher unemployment insurance benefits, disability insurance to cover loss of wages because of illness and rehabilitation benefits for the disabled.

The Democratic Party will not stand idly by and allow any steps to be taken which would undermine the social-security program which we introduced in 1935 and which we have worked ever since to improve. We will expose any attempts to harm the program and we shall fight to stop them. But we will do more than merely stop others from hurting the program. We shall continue—as we have done in the past and as we are doing now—to propose and fight for specific, concrete improvements in our social-security system to make sure that the American people will get an ever-growing protection against the economic fears of old age, unemployment, and dependency.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes tomorrow, following the legislative program and any special orders heretofore entered.

DENTAL CARE FOR VETERANS

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to remind the House that there is an obligation to pass the bill (H. R. 6485) to provide for dental treatment of veterans who have been declared entitled to it. It pertains simply to the payment of bills. We are asked to raise the debt limit, but certainly we ought to pay these men. We have a moral obligation to pay them. As to the provision of the appropriation bill to take care of the men, I think the Senator who introduced the provision did not realize that it would debar men who were entitled to this legislation. We should not break faith with these men.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mrs. ST. GEORGE in two instances.

Mr. D'EWART in four instances and to include extraneous matter.

Mr. DONDERO.

Mrs. ROGERS of Massachusetts and to include extraneous matter.

Mr. LONG and to include letters and telegrams.

Mr. DORN of South Carolina.

Mr. HAYS of Ohio in three instances and to include extraneous matter.

Mr. KEOGH (at the request of Mr. YATES) in two instances and to include extraneous matter.

Mrs. SULLIVAN and to include a letter from Secretary of Commerce Weeks.

Mr. BOLAND and to include extraneous matter.

Mr. O'HARA of Illinois in four instances.

Mr. HOFFMAN of Michigan to extend his remarks at the conclusion of the call of the Consent Calendar and to include extraneous matter.

Mr. HESELTON in five instances and to include extraneous matter.

Mr. EVINS (at the request of Mr. ALBERT) in three instances, in each to include extraneous matter.

Mr. SHEPPARD and to include extraneous matter.

Mr. BENNETT of Florida and to include extraneous matter.

Mr. PHILBIN in five instances in each to include extraneous matter.

Mr. LANE in four instances and to include extraneous matter.

Mr. DEANE and to include extraneous matter.

Mr. CARLYLE in three instances and to include extraneous matter.

Mr. HOSMER in five instances and to include extraneous matter.

Mr. O'NEILL and to include extraneous matter.

Mr. MCCARTHY and to include an editorial.

Mr. DINGELL and to include a statement on the 50th anniversary of the Ford Motor Co.

Mr. DINGELL and to include a statement by the CIO on the freezing of the Social Security Act.

Mr. CRUMPACKER and to include an editorial.

Mr. BUSBEY in six instances and to include extraneous matter.

Mr. GREEN and to include a telegram from a former Representative in Congress, Mr. O'Toole.

Mr. ENGLE in three instances, in each to include extraneous matter.

Mr. FALLON in three instances, in each to include extraneous matter.

Mr. MULTER in three instances, one of which exceeds the limit and is estimated to cost \$196.

Mr. HILLINGS to revise and extend the remarks he made in the Committee of the Whole today and to include extraneous matter.

Mr. MEADER to revise and extend the remarks he made in the Committee of the Whole today and to include extraneous matter.

Mr. WILSON of California to revise and extend his remarks made in Committee and to include a report.

Mr. RIVERS, Mr. HALEY, and Mr. ROOSEVELT.

Mr. IKARD in two instances and to include extraneous matter.

Mr. BENNETT of Florida in two instances and to include extraneous matter.

Mr. MCCARTHY in two instances.

Mr. KING of California and to include extraneous matter.

Mr. SIEMINSKI in five instances and to include extraneous matter.

Mr. FRIEDEL (at the request of Mr. LANE) and to include an editorial.

Mr. DELANEY and to include two articles.

Mr. PHILBIN in four instances.

Mr. HOFFMAN of Michigan in six instances and to include extraneous matter.

Mr. HAGEN of Minnesota in three instances and to include extraneous matter.

Mr. WICKERSHAM.

Mr. DONOVAN and to include extraneous matter.

Mrs. ROGERS of Massachusetts and to include an editorial.

MUTUAL SECURITY APPROPRIATIONS—CONFERENCE REPORT

Mr. TABER submitted the following conference report and statement:

CONFERENCE REPORT (H. REPT. No. 1056)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6391) making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 12, 13, 19, 29, and 30.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 17, 20, 23, 27, and 28, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "together with not to exceed \$1,311,977,003 of the unobligated balances of appropriations heretofore made for military assistance, Europe, which balances shall be consolidated with this appropriation"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: Restore the matter stricken by said amendment amended to read as follows: "together with not to exceed \$312,713,221 of the unobligated balances of appropriations heretofore made for military assistance, Near East and Africa, which balances shall be consolidated with this appropriation"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: Restore the matter stricken by said amendment amended to read as follows: "together with not to exceed \$256,843,411 of the unobligated balances of appropriations heretofore made for military and other assistance, Asia and the Pacific, which balances shall be consolidated with this appropriation"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken by said amendment amended to read as follows: "together with not to exceed \$50,723,170 of the unobligated balances of appropriations heretofore made for military assistance, American Republics, which balances shall be consolidated with this appropriation"; and the Senate agree to the same.

fore made for military assistance, American Republics, which balances shall be consolidated with this appropriation"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$220,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "together with not to exceed \$115,706,906 of the unobligated balances of appropriations heretofore made for the purposes of this paragraph of which unobligated balances, \$75,049,926 shall be available only for assistance to Spain and \$37,500,000 shall be available for aircraft production in Italy"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: Restore the matter stricken by said amendment amended to read as follows: "together with not to exceed \$17,821,596 of the unobligated balances of appropriations heretofore made for this purpose, which balances shall be consolidated with this appropriation"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$33,792,500"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$51,278,001, together with not to exceed \$10,821,999 of the unobligated balances of appropriations heretofore made for economic and technical assistance, Asia and the Pacific, which balances shall be consolidated with this appropriation"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$22,342,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$147,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter stricken out and proposed by said amendment insert:

"Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, \$9,500,000;" and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter stricken out and proposed by said amendment insert the following:

"International children's welfare work: For contributions during the fiscal year 1954 as authorized by law, \$9,814,333;" And the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "together with not to exceed \$244,834 of the unobligated balances heretofore appropriated for this purpose, which balances shall be consolidated with this appropriation"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$50,700,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In line one of the matter inserted by said amendment strike out "105" and insert in lieu thereof "104"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 106. The Administrator shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "SEC. 107."; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "SEC. 108."; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 26, 31, and 33.

JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
NORRIS COTTON,
GERALD R. FORD, Jr.,
J. VAUGHAN GARY,
JOHN J. ROONEY (with
reservations),
CLARENCE CANNON,

Managers on the Part of the House.

STYLES BRIDGES,
HOMER FERGUSON,
LEVERETT SALTONSTALL,
EVERETT M. DIRKSEN,
CARL HAYDEN,
RICHARD B. RUSSELL,
DENNIS CHAVEZ,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6391) making appropriations for Mutual Security, for the fiscal year ending June 30, 1954, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the

accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1 and 2, relating to military assistance, Europe, appropriate \$1,860,000,000 in new authority as proposed by the House instead of \$1,900,000,000 as proposed by the Senate, and carry forward \$1,311,977,003 of unobligated balances.

Amendments Nos. 3 and 4, relating to military assistance, Near East and Africa, appropriate \$30,000,000 in new authority as proposed by the Senate instead of \$50,000,000 as proposed by the House, and carry forward \$312,713,221 of unobligated balances.

Amendments Nos. 5 and 6, relating to military and other assistance, Asia and the Pacific, appropriate \$1,035,000,000 in new authority as proposed by the Senate instead of \$935,000,000 as proposed by the House and carry forward \$256,843,411 of unobligated balances.

Amendment No. 7, reported in disagreement.

Amendment No. 8, relating to military assistance, American Republics, carries forward \$50,723,170 of unobligated balances.

Amendments Nos. 9 and 10, relating to mutual defense financing, defense support, economic and technical assistance, Europe, appropriate \$220,000,000 of new authority instead of \$218,000,000 as proposed by the House and \$240,000,000 as proposed by the Senate, and carry forward unobligated balances of \$115,706,906. Of the unobligated balances carried forward \$75,049,926 is made available for assistance to Spain and \$37,500,000 is made available for aircraft production in Italy.

Amendment No. 11, relating to mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam, carries forward \$17,821,596 of unobligated balances.

Amendment No. 12, relating to mutual defense financing, for equipment, materials and services for forces in the Associated States of Cambodia, Laos, and Vietnam, appropriates new authority of \$400,000,000 as proposed by the House instead of \$300,000,000 as proposed by the Senate.

Amendment No. 13, relating to mutual special weapons planning, eliminates language proposed by the Senate.

Amendment No. 14, relating to economic and technical assistance, Near East and Africa, appropriates new authority of \$33,792,500 instead of \$24,000,000 as proposed by the House and \$42,743,499 as proposed by the Senate.

Amendment No. 15, relating to economic and technical assistance, defense support, Asia and the Pacific, other than Formosa and the Associated States of Cambodia, Laos, and Vietnam, appropriates new authority of \$51,278,001 instead of \$33,000,000 as proposed by the House and \$61,278,001 as proposed by the Senate, and carries forward unobligated balance of \$10,821,999.

Amendment No. 16, relating to technical assistance, American Republics and non-self-governing territories of the Western Hemisphere, appropriates new authority of \$22,342,000 instead of \$20,000,000 as proposed by the House and \$24,342,000 as proposed by the Senate.

Amendment No. 17, relating to basic materials development, appropriates new authority of \$19,000,000 as proposed by the Senate instead of \$23,000,000 as proposed by the House.

Amendment No. 18, relating to special economic assistance, Near East and Africa, appropriates new authority of \$147,000,000 instead of \$120,000,000 as proposed by the House and \$164,000,000 as proposed by the Senate.

Amendment No. 19, relating to Palestine refugee program, restores paragraph stricken by the Senate.

Amendment No. 20, relating to movement of migrants, appropriates new authority of \$7,500,000 as proposed by the Senate instead of \$10,000,000 as proposed by the House.

Amendment No. 21, relating to multi-lateral technical cooperation, appropriates new authority of \$9,500,000 for the fiscal year 1954 as proposed by the Senate and eliminates new authority of \$4,595,812 for the calendar year 1953 proposed by the Senate.

Amendment No. 22, relating to International Children's Welfare Work, appropriates new authority of \$9,814,333 for the fiscal year 1954 and eliminates new authority of \$9,000,000 proposed by the Senate.

Amendments Nos. 23 and 24, relating to ocean freight, voluntary relief shipments, appropriate \$1,580,166 in new authority as proposed by the Senate instead of \$1,428,000 as proposed by the House, and carry forward unobligated balances of \$244,834.

Amendment No. 25, relating to contributions to United Nations Korean Reconstruction Agency, appropriates new authority of \$50,700,000 instead of \$50,000,000 as proposed by the House and \$70,300,000 as proposed by the Senate.

Amendment No. 26, relating to unexpended balances, reported in disagreement.

Amendment No. 27, relating to the Institute of Inter-American Affairs, provides authority for continuation of the Institute of Inter-American Affairs during the fiscal year 1954 as proposed by the Senate.

Amendment No. 28, changes section number.

Amendment No. 29, reinstates language proposed by the House and stricken by the Senate limiting the use of funds for certain expenses related to the transportation of household goods and personal effects of employees.

Amendment No. 30, deletes Senate language to limit the use of funds for shipbuilding outside the continental limits of the United States.

Amendment No. 31, reported in disagreement.

Amendment No. 32, inserts Senate language providing that not less than \$100,000,000 shall be used to carry out the provisions of Section 550 relating to the distribution of agricultural commodities. The funds provided by this language are in addition to, and not in substitution for, funds available under sections 541 and 548 for economic assistance in the form of agricultural commodities.

Amendment No. 33, reported in disagreement.

Amendment No. 34, requires that at least 50 per centum of the gross tonnage of equipment, materials, or commodities transported on ocean vessels shall be transported on United States flag vessels as proposed by the Senate.

Amendments Nos. 35 and 36, change section numbers.

JOHN TABER,
R. B. WIGGLESWORTH,
IVOR D. FENTON,
NORRIS COTTON,
GERALD R. FORD, Jr.,
J. VAUGHAN GARY,
JOHN J. ROONEY
(with reservations),
CLARENCE CANNON,

Managers on the Part of the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. KEARNEY (at the request of Mr. COLE of New York), for the remainder of the session, on account of personal illness.

Mr. GOLDEN, through August 5, 1953, on account of primary elections in Kentucky.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5141. An act to dissolve the Reconstruction Finance Corporation, to establish the Small Business Administration, and for other purposes;

H. R. 5246. An act making appropriations for the Departments of Labor, Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes;

H. R. 5256. An act to amend the Internal Revenue Code with respect to the retirement of judges of the Tax Court of the United States;

H. R. 5471. An act making appropriations for the government of District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1954, and for other purposes;

H. R. 5805. An act making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1954, and for other purposes;

H. R. 5877. An act to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes; and

H. R. 5969. An act making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 38 minutes p. m.) under its previous order, the House adjourned until tomorrow, July 31, 1953, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

885. A letter from the Secretary of the Interior, transmitting a report on a plan of improvement for Washita River Subbasin, Red River Basin, Okla., and Tex., pursuant to section 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 885); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

886. A letter from the Chairman, United States Atomic Energy Commission, transmitting the 14th semiannual report of the United States Atomic Energy Commission, pursuant to the Atomic Energy Act of 1946; to the Joint Committee on Atomic Energy.

887. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting its report on the operation of the program set forth in title X of Public Law 429, 81st Congress, for the period ending June 30, 1952, pursuant to section 1003 of Public Law 429, 81st Congress; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 6648. A bill to amend section 205 of the Small Business Act of 1953; without amendment (Rept. No. 1048). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENILEY: Committee on Foreign Affairs. Senate Joint Resolution 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on Governmental Use of International Telecommunications; without amendment (Rept. No. 1049). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENILEY: Committee on Foreign Affairs. H. R. 423. A bill to increase the fee for executing an application for a passport from \$1 to \$3; with amendment (Rept. 1050). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN of Michigan: Committee on Government Operations. Fifth intermediate report pertaining to a study of business operations in the defense establishments; without amendment (Rept. No. 1051). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 3306. A bill relating to the reservation of mineral rights in land patented under the nonmineral land laws; with amendment (Rept. No. 1052). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 6080. A bill to authorize the appropriation of funds for the construction of certain highway-railroad grade separations made necessary by the Federal highway system, and for other purposes; with amendment (Rept. No. 1053). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee of Conference. H. R. 4353. A bill to increase farmer participation in ownership and control of the Federal Farm Credit System; to create a Federal Farm Credit Board; to abolish certain offices; to impose a franchise tax upon certain farm-credit institutions; and for other purposes; without amendment (Rept. No. 1054). Ordered to be printed.

Mr. SHAFER: Committee of Conference. H. R. 5728. A bill to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes; without amendment (Rept. No. 1055). Ordered to be printed.

Mr. TABER: Committee of Conference. H. R. 6391. A bill making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes; without amendment (Rept. No. 1056). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOLCOTT:
H. R. 6648. A bill to amend section 205 of the Small Business Act of 1953; to the Committee on Banking and Currency.

By Mr. METCALF:
H. R. 6651. A bill to stimulate the exploration, production, and conservation of strategic and critical ores, metals, and minerals and for the establishment within the Defense Materials Procurement Agency of a Mine Incentive Payments Division, and for

other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CUNNINGHAM:
H. R. 6652. A bill to regulate commerce among the several States and with foreign nations, to regulate supply of crops and to thereby guard against famine and destitution in any part of the United States and its possessions and in other nations, to promote orderly marketing of crops, to insure against unduly depressive price levels, and to establish a board and corporations for such purposes; to the Committee on Agriculture.

By Mr. DINGELL:
H. R. 6653. A bill to modernize the statutes and regulations governing the operation of breweries and the method of collecting excise taxes on fermented malt beverages, and for other purposes; to the Committee on Ways and Means.

By Mrs. PFOST:
H. R. 6654. A bill to stimulate the exploration, production, and conservation of strategic and critical ores, metals, and minerals and for the establishment within the Defense Materials Procurement Agency of a Mine Incentive Payments Division, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIPS:
H. R. 6655. A bill to amend the charter of the Columbia Institution for the Deaf, change its name, define its corporate powers, and provide for its organization and administration, and for other purposes; to the Committee on Education and Labor.

By Mr. THORNBERRY:
H. R. 6656. A bill to amend the charter of the Columbia Institution for the Deaf, change its name, define its corporate powers, and provide for its organization and administration, and for other purposes; to the Committee on Education and Labor.

By Mr. WAINWRIGHT:
H. R. 6657. A bill to amend the Vocational Rehabilitation Act to enlarge the economic opportunities of blind persons by establishing them in remunerative self-employment, and for other purposes; to the Committee on Education and Labor.

By Mr. CARLYLE:
H. R. 6658. A bill to provide for the conveyance of certain lands by the United States to the county of Cumberland, State of North Carolina, without remuneration; to the Committee on Government Operations.

By Mr. CURTIS of Massachusetts:
H. R. 6659. A bill to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Armed Services.

By Mr. DORN of New York:
H. R. 6660. A bill to provide certain benefits for employees in the field service of the Post Office Department who are veterans of World War I or World War II and Korean action; to the Committee on Post Office and Civil Service.

By Mr. EDMONDSON:
H. R. 6661. A bill to promote the education and rehabilitation of the Indians of the United States and its Territories; to the Committee on Interior and Insular Affairs.

By Mr. FORAND:
H. R. 6662. A bill to modernize the statutes and regulations governing the operation of breweries and the method of collecting excise taxes on fermented malt beverages, and for other purposes; to the Committee on Ways and Means.

By Mr. FRIEDEL:
H. R. 6663. A bill to increase the amount of earnings allowed social-security beneficiaries, and for other purposes; to the Committee on Ways and Means.

By Mr. HELLER:
H. R. 6664. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued August 3, 1953

For actions of July 31 & Aug. 1, 1953
83rd-1st, Nos. 145 and 146

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Congressional action was completed on bills to reorganize FCA, provide famine relief, permit refugee immigration, expand crop insurance, study weather control, modify reclamation units, require penalty-mail payments, authorize forest loans, transfer cotton field station, extend fur-farmer loans, extend Mexican farm-labor program. House adopted conference reports on supplemental appropriations, foreign-aid appropriations, trade agreements. House passed bills to increase debt limit and modify corn and cotton quotas. Senate passed farm-tenant interest bill. Congress received President's messages on conservation and social security. Senate received Benson letter asking farm-program recommendations. House committee reported onion-marketing and potato-support bills. Bills were introduced on grazing procedures, soil-water conservation, and surplus disposal.

HOUSE - July 31

1. **DEBT LIMIT.** Passed, 239-158, without amendment H. R. 6672, increasing the U. S. statutory debt limit from \$275 billion to \$290 billion (pp. 10964-87, 11009).
2. **FAMINE RELIEF.** Agreed, 143-15, to the conference report on S. 2249, to enable the President, during the period ending Mar. 15, 1954, to furnish to peoples friendly to the U. S. emergency assistance in meeting famine or other urgent relief requirements. The overall limitation of \$100,000,000 remains, but the limit of \$20,000,000 for any one country was eliminated. Language was inserted to make it clear that the authority of CCC to deliver commodities under the bill is limited to the delivery of such commodities aboard vessels in U. S. ports. Therefore, all costs incurred in making delivery of the commodities after they have been placed on board will have to be paid either by the recipient countries or from NSA or other funds, and the \$100,000,000 limit will apply only to CCC investment and costs. Because of this action the conferees eliminated the provision that at least half of the shipments be made on U. S.-flag ships, since NSA already follows this policy. (pp. 10992-3).

3. IMMIGRATION. Agreed, 190-44, to the conference report on H. R. 6481, to admit into the U. S. for permanent residence up to 214,000 refugees, orphans, and certain close relatives of U. S. citizens and aliens admitted for permanent residence (pp. 10988-991).
4. FCA REORGANIZATION. Agreed to the conference report on H. R. 4353, to reorganize the Farm Credit Administration, etc. (pp. 10991-2). For provisions of report, see Digest 144.
5. COTTON ALLOTMENTS. Passed without amendment H. R. 6665, which provides that the national cotton acreage allotment for 1954 will be 22,500,000 acres (basic), that no State will receive an acreage cut of more than 29.5% below its 1952 acreage (the acreage for this is to be in addition to the national allotment), that State acreage reserves shall be used in addition to other purposes for correcting inequities in farm allotments, that with the approval of the Secretary of Agriculture county committees may apportion farm acreage allotments on the basis of previous farm history, and that for 1954 and 1955 any part of the acreage allotted to any farm which is voluntarily surrendered by the operator of that farm may be reallocated to other farms in the county (pp. 10932-40). The bill had been reported without amendment by the Agriculture Committee earlier in the day (H. Rept. 1058)(p. 11009).
6. PERSONNEL. Agreed to a Senate amendment to H. R. 6185, to require that veterans attain a passing grade before becoming eligible for civil-service appointments (pp. 10963-4). This bill will now be sent to the President.
7. FARM LABCR. Received the conference report on H. R. 3480, to extend the Mexican farm-labor program. The conferees agreed on an extension for 2 years instead of the House period of 3 years and the Senate period of 1 year. (p. 10993.)
8. SAFETY. Received the conference report on S. 1105, to incorporate the National Safety Council (pp. 10993-5).
9. COMMODITY EXCHANGES. The Agriculture Committee voted to report (but did not actually report) H. R. 6435, to extend the Commodity Exchange Act to onions (p. D823).
10. POTATO SUPPORTS. The Agriculture Committee ordered reported (but did not actually report) H. R. 3895, to remove the prohibition against price supports on Irish potatoes (p. D823).
11. CORN QUOTAS. The Agriculture Committee ordered reported (but did not actually report) H. J. Res. 321, to amend the Agricultural Adjustment Act with respect to the date of the proclamation of corn marketing quotas. The "Daily Digest" states: "Under the present law the Secretary of Agriculture must determine whether or not such quotas are necessary and make his proclamation not later than November 15 of the year prior to that in which quotas are to be invoked. This measure will postpone the 1954 proclamation until February 1, 1954, and is designed to give Congress an opportunity to reexamine the quota law before the Secretary is required to make his determination." (p. D823.)
12. FOREIGN-AID APPROPRIATION BILL, 1954. Agreed, 237-156, to the conference report on this bill, H. R. 6391, and acted on amendments in disagreement (pp. 10920-8). For provisions of the report see Digest 144.
13. CONSERVATION. Received from the President a message favoring additional conservation and development of land and water resources, etc. (H. Doc. 221)(pp. 90923-9).

House of Representatives

FRIDAY, JULY 31, 1953

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, in the morning hour of this new day, we are again directing our minds and hearts toward Thee in the sacred attitude of prayer.

Help us daily to discipline and censor our thoughts for they are the progenitors of achievement and determine the issues of life, its character, and conduct.

God forbid that we should ever feel that we are not responsible for our thoughts.

May we never harbor and give lodgment to thoughts which are unworthy and ignoble, for experience teaches us so clearly that every thought by its very presence in our minds will tend to pass into action unless supplanted by other thoughts which are noble and true.

Grant that all our thoughts, desires, impulses, and tendencies may always be brought into a glad and willing obedience to the mind and spirit of our blessed Lord.

Hear us in His name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On July 30, 1953:

H. R. 5141. An act to dissolve the Reconstruction Finance Corporation, to establish the Small Business Administration, and for other purposes.

On July 31, 1953:

H. R. 1991. An act relating to certain construction-cost adjustments in connection with the Greenfields division of the Sun River irrigation project, Montana; and

H. J. Res. 253. Joint resolution to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 786. An act for the relief of Yusuf (Uash) Lazar;

H. R. 960. An act for the relief of Charles H. Lin (also known as Lin Chao Hsi);

H. R. 1388. An act to provide for distribution of moneys of deceased restricted mem-

bers of the Five Civilized Tribes not exceeding \$500, and for other purposes;

H. R. 1695. An act for the relief of Irene Proios (nee Vagianos);

H. R. 1754. An act for the relief of Dr. Manousos A. Petrohelos;

H. R. 2187. An act for the relief of Chiyoko Miki Tomono;

H. R. 2413. An act for the relief of Matsue Hashimoto;

H. R. 2458. An act to authorize the transfer of certain land located at Cherry Point, N. C., and for other purposes;

H. R. 2603. An act for the relief of Carmela Daino Davenla;

H. R. 2604. An act for the relief of Lauri Allan Torni;

H. R. 3107. An act to provide for the conveyance of certain national forest land in Basalt, Colo.;

H. R. 3831. An act for the relief of Panagiotis G. Karras;

H. R. 4424. An act for the relief of Eleonore Friedrich McAnelly;

H. R. 4833. An act for the relief of Hormoz Mahmoud;

H. R. 5257. An act to extend to the Trust Territory of the Pacific Islands certain provisions of the Internal Revenue Code relating to narcotics;

H. R. 5328. An act to provide for the use of the tribal funds of the Ute Mountain Tribe of the Ute Mountain Reservation, to authorize a per capita payment out of such funds, and for other purposes;

H. R. 5561. An act to amend the Internal Revenue Code and the Narcotic Drugs Import and Export Act so as to provide that certain drugs which are or may be chemically synthesized shall be included within the classification of narcotic drugs;

H. R. 6039. An act to amend section 47c of the National Defense Act; and

H. J. Res. 316. Joint resolution establishing in the Treasury of the United States a revolving fund within the contingent fund of the House of Representatives.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a concurrent resolution of the House of the following titles:

H. R. 3396. An act for the relief of Dr. Hamdi Akar;

H. R. 4483. An act to provide compensation to the Shoshone and Arapahoe Tribes of Indians for certain lands of the Riverton reclamation project within the ceded portion of the Wind River Indian Reservation, and for other purposes;

H. R. 5304. An act to permit members of the uniformed services to elect certain contingency options, and for other purposes;

H. R. 6185. An act to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, and for other purposes; and

H. Con. Res. 110. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 129. An act to amend the act of August 30, 1935 (49 Stat. 1049), authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

S. 171. An act for the relief of Mrs. Irma Benjamin;

S. 179. An act for the relief of Insun Lee;

S. 251. An act to amend section 1923 (a) of title 28, United States Code, relating to docket fees;

S. 303. An act for the relief of Felix S. Schorr and his wife, Lily Elizabeth Schorr;

S. 308. An act for the relief of Filolaos Tsolakis and his wife, Vassiliki Tsolakis;

S. 354. An act for the relief of Inger Larson;

S. 506. An act for the relief of Horst F. W. Dittmar and Heinz-Erik Dittmar;

S. 671. An act to amend section 9 (b) of the Atomic Energy Act of 1946 relating to the exemption of activities of the Atomic Energy Commission from State and local taxation;

S. 743. An act for the relief of George P. Khouri;

S. 1038. An act for the relief of Silva Galjevscek;

S. 1050. An act for the relief of Josephine Maria Riss Fang;

S. 1954. An act for the relief of Anthony N. Goraieb;

S. 1969. An act for the relief of Valda Cimermanis;

S. 2462. An act for the relief of T. K. Li;

S. 2487. An act to amend the International Claims Settlement Act of 1949;

S. Con. Res. 47. Concurrent resolution to print copies of the report and hearings of a subcommittee of the Judiciary on "Subversive Influence in the Educational Process"; and

S. Con. Res. 48. Concurrent resolution to print parts of the hearings and reports of a subcommittee of the Judiciary on "Interlocking Subversion in Government Departments."

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 5134. An act to amend the Submerged Lands Act; and

H. R. 5728. An act to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the Senate of the following titles:

S. 1397. An act to clarify the status of mining claims on land known to be valuable for oil or gas or included in oil and gas leases, or applications or offers for such leases, and for other purposes; and

S. 2220. An act to amend the mineral leasing laws with respect to their application in the case of pipelines passing through the public domain.

The message also announced that the Vice President has appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the joint select committee

on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 54-4.

APPOINTMENT OF ADDITIONAL CONFEREES ON SUPPLEMENTAL APPROPRIATION BILL, 1954

Mr. TABER. Mr. Speaker, I ask unanimous consent that the Speaker may appoint two additional conferees on the part of the House on the bill H. R. 6200, the supplemental appropriation bill for 1954.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The Chair appoints as additional managers on the part of the House at the conference on disagreeing votes of the two Houses on the bill H. R. 6200, the supplemental appropriation bill for 1954, the gentleman from Ohio [Mr. Bow] and the gentleman from Michigan [Mr. RABAUT].

The Clerk will inform the Senate of the appointment of additional conferees.

CORRECTION OF RECORD

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to correct the RECORD of July 27, 1953, at page 10218, in the third column to strike out the words "21 months to 18 months" and insert "21 months to 15 months."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALLING ALL CONGRESSMEN—MR. CONGRESSMAN, WHAT HAVE YOU DONE TO GIVE BREAD AND BUTTER TO AMERICA'S AGED?

(Mr. ANGELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ANGELL. Mr. Speaker, the Congress is about to adjourn. We have heeded the call of the distressed and hungry everywhere except in America. We have sent tons and tons of wheat to India and Pakistan; we are supplying food for the hungry in Communist Berlin; we have spent around the world since World War II over \$100 billion; we have appropriated many billions of dollars for economic foreign aid, but we have done absolutely nothing for America's aged, many of whom are in dire need and distress.

On February 2, 1953, I introduced H. R. 2446 which would provide a Federal old-age pay-as-you-go program for America's aged and would do away with the hit-and-miss program we now have and would treat all of America's oldsters on an equal basis. The overall cost to the American public would not exceed the amount that is now being paid on the hit-and-miss program we are following, which leaves out hundreds of thousands of elderly citizens who are under no

social-security program and who are without sufficient funds to meet their daily needs.

It is true the Ways and Means Committee has a special subcommittee which is planning to make an investigation and study of the social-security program. It is also true that the Department of Health, Education, and Welfare is planning a similar study. But the old people of America cannot eat studies nor surveys. They can only eat food, meat, bread and butter. They cannot wear surveys and investigations. They can only wear clothing to protect them from the inclement weather. They cannot use surveys, investigations and studies for a roof over their heads when the storms of winter beat about them.

They could use the thousands of tons of wheat surpluses owned by Uncle Sam which would make bread for their daily needs; they could use the thousands of tons of butter which is giving Uncle Sam a headache as it is becoming rancid and he is at his wit's end to know what to do with it, as apparently he does not want America's needy to have it. In the past such butter has been allowed to spoil or be turned into soap; potatoes have been drenched with gasoline so that they could not be used for human consumption. Let us hope the Eisenhower administration will not engage in destroying food surpluses.

On April 30 last I filed discharge petition No. 2 to bring H. R. 2446 on the floor for action. This was necessary as the Ways and Means Committee has pigeonholed it. Up to now 161 of our colleagues have signed this petition. Only 57 more signatures are needed to make up the 218 required to complete the petition so that this meritorious legislation can receive full consideration, be amended wherever necessary, and passed, to provide for all time a sound overall Federal old-age program which will treat everyone alike and will be fashioned on a pay-as-you-go basis, and which will be a good stimulant to keep the economy of our Nation sound.

I am sure that when we return to our congressional districts and confer with our home folks we will find that the majority of the people of our districts want passed an old-age security program and that when you who have not signed this discharge petition return next January you will be anxious to sign the petition so that we may be on our way toward the adoption of a sound program for old-age security. It is not too late to sign now before we adjourn. I most respectfully request you to do so.

EISENHOWER HARD MONEY POLICY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PRICE. Mr. Speaker, a few days ago I told my colleagues in the House how the interest-rate hike under the Eisenhower administration's hard money policy was exacting special taxes and placing a heavy financial burden on the

community of Bethalto, Ill., in my congressional district.

Today I have another example of the effect of the Eisenhower high interest rates on local municipalities and, consequently, on the taxpayers in those municipalities because they will be paying the bill.

The East St. Louis Journal of July 29, 1953, discloses that the city of East St. Louis failed to receive any bid on a \$2,240,000 general obligation sewer bond issue. Mayor Fields explained that the interest rate on the bonds was fixed at 3 percent, but with the Eisenhower hike to 3½ percent on Government bonds the city's bonds were unattractive to prospective purchasers.

In this connection we must remember that municipal bonds are tax exempt, so the city's 3-percent rate represents, under different circumstances, a very attractive offer to investors. Yet here is another community being forced by the Eisenhower policy to pay a substantially higher interest rate to sell its bonds. The burden, of course, will be borne by the local taxpayers.

As in the case of Bethalto, banking-house representatives expressed interest in purchasing the East St. Louis sewer bonds at a higher rate of interest or at a discount. At Bethalto the town officials were compelled to let a bond issue on expansion of a water system go at a higher interest rate and will pass on the added charge to Bethalto residents in the form of increased water rates.

I might point out that at Bethalto a bonding company had already agreed to take the community's \$300,000 bond issue at a lower rate of interest but after the new national administration's hard money policy began to work the bonding company reneged on its original offer and declined to handle the issue except at a higher interest rate.

As Mayor Fields, of East St. Louis, pointed out "the failure of the city to receive a bid should not be construed as lack of confidence on the part of the banking fraternity in the bonds or cause for any reflection on the credit of East St. Louis, which is rated A."

And Mayor Fields is absolutely correct. This increased financial burden is being imposed on the people of East St. Louis by the hard money policy of the Eisenhower administration.

Bethalto and East St. Louis do not stand alone. Everywhere in the United States local communities are being compelled to pay exorbitant interest rates on bond issues for necessary municipal projects because of the unwise monetary policies of the Eisenhower administration.

Instead of giving the people the tax reduction they promised last November the new administration in Washington is, through the Treasury's interest rate hike, increasing in a very noticeable manner individual tax burdens.

MUTUAL SECURITY APPROPRIATION BILL, 1954—CONFERENCE REPORT

Mr. TABER. Mr. Speaker, I call up the conference report on the bill H. R.

6391, and ask that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. TABER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 115]

Bolton,	Gregory,	O'Hara, Minn.
Frances P.	Hébert,	O'Neill
Buckley	Kearney	Powell
Bush	Kilburn	Reams
Carnahan	Kilday	Reed, Ill.
Chatham	Landrum	Richards
Dague	Lyle	Schenck
Dawson, Ill.	McVey	Shelley
Dies	Machrowicz	Short
Dolliver	Martin	Simpson, Pa.
Fogarty	Moulder	Spence
Gamble	Nelson	Taylor
Goodwin	Norblad	Watts
Gordon		

The SPEAKER. Three hundred and eighty-seven Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY APPROPRIATION BILL, 1954—CONFERENCE REPORT

The SPEAKER. Is there objection to the request of the gentleman from New York that the statement be read in lieu of the conference report?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House, July 30, 1953.)

The SPEAKER. The gentleman from New York [Mr. TABER] is recognized for 1 hour.

Mr. H. CARL ANDERSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. H. CARL ANDERSEN. This is a very important matter. There is a distinct controversy on this conference report. I trust everybody here will remain and listen to the debate.

Mr. TABER. Mr. Speaker, this bill provides new authority of \$4,531,000,000, and a reappropriation of carryover items involving \$2,120,000,000; a total availability of \$6,652,000,000.

It is \$456 million above what it was when it passed the House, and in total authority it is \$92 million below the overall figure in the Senate.

Your conferees did the best they could to work out a bill which was satisfactory to the House. We have provided for the present foreign-aid situation and the Mutual Security Agency as best we could. I think we have provided amply for their requirements.

I do not believe that we could have procured a settlement which would have

been at a lower figure. There may be some items in here that are a little high. On the other hand, the world is facing a very difficult situation. We have got, insofar as we are able, to keep the world right side up and to develop military strength sufficient to combat the Communist threat. I do not feel that we should attempt at this time to do anything except approve the report. I shall have something to say later after those who are opposed to the bill have spoken, but at this time I will yield the floor.

Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Speaker, I have been a Member of this House for 7 years, and during this entire time I have endeavored to handle myself in such a way as to acquire the esteem and respect of every Member of this body. I have refrained from being critical through many trying periods and unusual circumstances; therefore, I hope that my present remarks will be accepted in the light in which they are intended. If I am to express myself in understandable terms on the subject matter, I must necessarily be somewhat critical.

At this time, when our economy is strained to the breaking point and we will soon have before us a request from the President to increase the statutory debt limit by \$15 billion, we are continuing on a worldwide spending program endeavoring to buy friendship and loyalty which I have never believed is for sale. We are trying to buy this friendship with our dollars in 56 foreign nations.

Last night I attended what, according to the record, was a conference on the foreign-aid appropriation bill attended by the House and Senate conferees. After leaving the conference last night, I kept searching my mind for a term that would be more apropos to the meeting than conference. I finally decided that the name of the meeting should be changed to the House "capitulation" meeting.

Under Webster's definition "capitulation" means, and I quote, "To surrender on conditions agreed upon"; further quote, "To make terms of surrender." When the foreign-aid appropriation bill passed the House, the House allowed \$6,196,688,179 in new funds. When the bill reached the Senate, they increased the bill by \$548,630,023, making new money available for the Mutual Security Administration in the amount of \$6,745,318,202. Now, in the capitulation meeting held last evening, the Senate receded only on a net of \$92,895,812 and the House receded to the extent of \$455,734,211. In other words, the conference report before you at this time increases the bill passed by the House by \$455,734,211.

So that there will be no misunderstanding about what the Mutual Security Agency will have available to spend beginning with July 1, let me say here and now if the House approves this conference report, the Mutual Security Administration will have available funds, as of July 1, totaling \$14,803,222,390, made up, of course, by unexpended but obli-

gated funds in the amount of \$8,150,800,000 and new funds provided in the conference report of \$6,652,422,390.

Mr. Speaker, undoubtedly this House should agree without a dissenting vote that out of approximately \$15 billions for the Mutual Security Agency, it could be reduced by at least \$200 million without hurting the program at all, and I shall offer a motion to recommit with proper instructions. I do hope the House will support my motion, that is, provided, I get recognition for the purpose of offering a motion to recommit.

I intend to offer a motion to recommit the conference report in order to reduce the amount in the bill by slightly over \$200 million. This will be in the form of a motion that the House conferees be instructed to insist upon disagreement to Senate amendment numbered 2.

When the bill passed the House this amendment authorized the continuance of \$1,100,000,000 of unobligated funds for military assistance, Europe. As agreed to in conference the amendment would permit the use of \$1,311,977,003 of such funds. My motion, therefore, will give the House an opportunity to vote for a reduction of \$211,977,003 below the amount recommended in the conference report, \$6,652,422,390.

The adoption of my motion would mean that the House takes a position which would result in nearly an even split in total funds between the House and Senate bills rather than a reduction of only approximately \$93 million from the Senate bill as provided in the conference report and an increase in the House bill of nearly \$456 million.

So far as my constituents are concerned, a vote for this conference report would obligate me to vote to raise the debt ceiling. However, I want the Record to show that I am not going to vote for the mutual security conference report and neither am I going to vote to raise the legal debt limit.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Speaker, as the gentleman from Louisiana has so well stated, this was not, in his and my candid opinion, a genuine conference. When we go to conference we feel that the other side should give in a little to our viewpoint. This was practically nothing but a capitulation on the part of the House conferees, so bad in fact that three of us have refused to sign the conference report.

Do any of you Members think a conference means giving the other body five-sixths of what they want? I do not. Yet that is the proposal we have here before us now. We hope to make it an even break through our motion to recommit.

Do you Members feel that today, when we have a request in the form of a bill presented to us by the President to raise the debt limit up to to \$290 billion,

that it is time to be overly generous and meet the Senate more than halfway in this particular conference? I certainly do not.

We have probably \$150 million left in this particular bill under the conference report for the use of our money for dams, wells, power projects, purely economic assistance in a great many instances. I do not know whether our conferees have agreed to leave in this bill \$24 million for a railroad down in British East Africa. No one can really tell what is embraced in this one bill, which represents to me a sum of money equal to the value of our entire 1953 crop of corn in these United States. Are we going completely haywire? Frankly I was disappointed in the conferees on my side last night. They did not put up the fight they are capable of in trying to maintain a position at least halfway between that of the Senate and the House.

This is a serious proposition. Do you or do you not want to take just \$211 million out of an unobligated sum of nearly \$2 billion which MSA now has? This action would not hurt them seriously. I would not want to do that. If we accept the motion to recommit to be offered by the gentleman from Louisiana, it will simply put back into the bill the same language the gentleman from New York [Mr. TABER] approved during House action. It will cut out scarcely 2 percent, if that much, of the huge amounts available to MSA. Surely this action will not harm that program. It will tighten it up a little, but do you not think we should tighten up?

Let us get down to brass tacks. The gentleman from Virginia [Mr. GARY] said when this bill was before the House that it was a good bill, a good compromise.

Let me quote what he had to say. He said:

I do not think that any one member of this committee, if he were framing this bill, would frame it just as it is, but we have brought you a compromise.

This is the gentleman from Virginia [Mr. GARY] talking about the House bill.

And I want to say that I think it is a fair compromise.

Now let us see what the House committee said when they reported this bill. The gentleman from New York, [Mr. TABER] wrote or approved this report. He said:

The last, but by no means the least factor is our rising public debt.

That was the reason he gave for holding down the request for MSA when it came before us originally. Surely that is something that we must take into consideration. So, if you Members want to save \$211 million here today by your vote, please vote for the motion to recommit to be offered by the gentleman from Louisiana [Mr. PASSMAN]. As far as I am concerned, I will stay here as long as necessary, to get this \$200 million out of the bill. It is a lot of money and keep this in mind—We deal with such large sums in this foreign aid bill that it is difficult to grasp just how much we are appropriating here. Just a few

years ago my home county of Lincoln had an assessed valuation of about \$15 million. We can save here the assessed valuation of 12 or 13 such counties.

This \$200 million will pay the salaries of you 435 House Members, at \$12,500 each, or approximately \$5,450,00 a year, for a total of 36 years. And yet this huge sum is only about 3 percent of the total new money we are here making available for 1 year for MSA. Do you not think, I repeat, that here is a good opportunity to save without harm. Our financial stability as a Nation must be preserved. I am sure that all of you agree with me on that. I hope that you will, when the roll is called on the motion to recommit, say to the Senate, "Come further toward our viewpoint and we will have a real conference, and save \$211 million of much needed money."

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. DAVIS].

(Mr. DAVIS of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Wisconsin. Mr. Speaker, I find myself in agreement with the two previous speakers. I was the third member of the committee of conference, the third member of the managers on the part of the House, who refused to sign the conference report. I do not question the sincerity of the judgment of any member of the committee of conference. I think this is a matter on which every man must exercise his own judgment and render his own decision. But I could not help but get the feeling—and I am not speaking only about the managers on the part of the House—that there has been an atmosphere created in connection with this appropriation that has caused Members of the Congress to cease to exercise their own independent judgment and to defer their judgment and their opinions to too great an extent on people in the executive department of the Government. Oh, I know the strong representations that have been made, and they have been made by people in whom we all have a great deal of confidence. But when a general or any other executive comes and says, "We cannot cut a dollar off of this," or "we cannot cut a dollar off of that," those people, in my opinion, when they made those statements, were not familiar with the distorted accounting picture that has grown up in MSA, a picture which may have looked to those who were on the inside of the actual accounting as if a great deal more money had been obligated and a great many more commitments had been created than actually was the fact. As the House report pointed out when it was originally presented to us, there was at least \$660 million of money that was dually obligated—obligated twice—so that the books showed \$2 were obligated for every \$1 worth of material that this agency had procured for the use that was to be made of those funds. So, when you consider those facts, those men who told us "Do not cut off a dollar," were people who probably did not know the true accounting picture. When we

consider there is about \$10 billion to be spent—and according to the prediction, what they intend to spend—it will take them through about 2 years, if there was not a dollar in this bill, when you consider the critical fiscal situation of this Nation today, and we are being made more aware of it by the legislation to be brought to us very soon. I hope you will join in refusing to adopt this conference report.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I rise to make an announcement that challenges me to make. You know what I mean. Our great and capable ROBERT TAFT has left us. America's greatest statesman has just passed away. The Speaker has assured me that the Members of the House will have an opportunity yet this afternoon to join in a congressional eulogy to this, our great American statesman.

Mr. CHELF. Mr. Speaker, I ask unanimous consent that the Members of the House may stand for a brief moment in respect to this great American.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The Members of the House will kindly rise in honor of the beloved statesman who has passed away.

[The Members of the House rose as a mark of respect to the late Senator ROBERT A. TAFT.]

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Speaker, after the announcement that has just been made, this discussion should surely be pursued in a spirit of careful, solemn consideration, rather than heat.

As one of the managers on the part of the House, I want to express the hope that the Members of the House will not have their attention diverted by these assertions that those who agreed to this report lacked backbone, or by their wild charges against the administration. Remember, the Eisenhower administration, before this bill reached us at all, reduced the Truman request for mutual security by \$2.5 billion, and the report you are considering today reduces it by half a billion more. Thus \$3 billion have been carefully and painstakingly taken from this appropriation because of the pressing necessity of economy. The remainder is vital to the defense of this country and may save us from a third world war. We who signed this conference report believe in it with all our hearts and souls.

I hope the report will be adopted.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. I do wish to repeat the comments made by the gentleman from New Hampshire. This budget for the foreign-aid program as presented in January called for over \$7,600,000,000.

It was reduced by the present administration and the executive branch of the Government by over \$2,500,000,000. This conference report reduced it an additional \$600 million. The net result is a foreign-aid program as presented here of about \$4,500,000,000 in new money.

Yes, there is a large carryover, but that is for things which have been ordered, guns, tanks, munitions, and other equipment. That can and will be delivered to the fighting men in the very near future for the protection of our military position and the protection of our way of life throughout the world. To do anything that would reduce our strength at this point after we have concluded a truce in Korea would be foolhardy to say the least.

This conference committee was confronted with a very serious problem. We were cognizant of what we were going to have to do or may have to do with reference to the debt limitation, but we also are cognizant of our position in defending America and defending those of us who believe the free world is better than the kind of a society that exists behind the Iron Curtain.

Mr. Speaker, I hope and trust for our own welfare that the House will agree with the conference report.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. GAVIN. Mr. Speaker, I want to call the attention of the House to the fact that the Department of Defense has \$90 billion to spend in the next 2 years. Whether the productivity of the Nation can absorb such a tremendous program of \$90 billion, I cannot understand. Here is what I said on July 22, just a week or so ago:

I want to call your attention to the fact that the debt limit has reached \$273 billion. Now a million dollars is a thousand thousand dollars. A billion dollars is a thousand million dollars, and we owe 273 thousand million dollars that somebody, by the sweat of their brow, must produce the money to pay the taxes to pay that debt. It is presumed the request will come in shortly to increase the statutory debt limit. I do not know what is the matter with this House on these foreign spending programs. The Members get up here and glibly talk about ten million, twenty million, thirty million, fifty million, and on and on as though it was a mere nothing. Now we are talking about carrying on these programs up to 1956 or 1957. You know it is the American taxpayer that has to carry this load, and they are not here to be heard. You go back home and you will find out how many are for a continuation of this foreign-aid spending.

The gentlemen here talk about our interests and our attitudes toward the defense program—I cannot possibly see how \$90 billion can be spent in the next 2 years. I think we ought to proceed cautiously and carefully on these spending programs, particularly the foreign-aid program. Certainly we are all for a strong national defense. I voted for every measure for national defense. Unless we remain strong here at home, we can be of no help to ourselves or to any other country of the world. There-

fore, when a conference report comes back to us with these increased appropriations for foreign aid after we have debated those appropriations carefully in the House and then they go to the other body and have been increased and increased. As my good friend and former colleague, Bob Rich, would say, "Where are you going to get the money?" And what I am saying to you is, "When are you going to balance the budget?"

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, those of us who have been here through the years know how debate has raged about these programs. When they started out, they were properly called foreign-aid programs. They had as their primary purpose the rebuilding of the economic strength of the nations friendly to us. Since that time, there has been a very gradual transition until, as I have said on other occasions, I think it is a misnomer to refer to them as foreign-aid programs. It is true that much of the money is spent in distant places around the globe, but much of it is spent for the maintenance of military installations of our own Armed Forces and for the military installations and maintenance of military outposts at farflung corners of the earth. To my mind that is just a simple recognition of the fact that in this modern atomic age, with the development of airpower, it is highly desirable from the standpoint of the national security of our own country that these outposts be maintained in some degree at least as a part of our national defense. In my opinion, if we did not have those outposts, we would be required immediately to make a complete resurvey and reexamination of our defenses here at home. I am one of those who believes that if we suddenly abandoned this policy which we now have, reexamination of our defense needs would necessarily result in the expenditure of untold billions more in order that the security of our land be maintained.

As the program has come on this year, we started with an original request in the first budget of \$7.6 billion. That was cut by the Eisenhower administration. It was further cut by our Committee on Foreign Affairs in the authorization bill. It was further cut by the Appropriations Committee in the action first taken in the House.

The appropriation bill went to the other body and a very substantial part of the further cut that was made by our Appropriations Committee was sustained in the other body, something like half of it. Now finally the matter has gone to conference between the two bodies. They have come up with this figure which, for the new money to be appropriated, having regard to the first figure of \$7.6 billion, is \$4.5 billion. In anybody's book that is a substantial reduction. I think, for myself, it goes as low as we ought to go unless we are ready to abandon this operation completely. I do not think you would find a handful of votes here to abandon it completely.

As far as I am concerned, as I have gone among my people back home in

Indiana, while they want us to be sensible about this program and the appropriations for it, while they want us to cut it down as much as we can, I believe you can find but a handful who are willing to say, "Abandon it completely and bring our national defenses back to our own shores."

Mr. PASSMAN. Mr. Speaker, will the distinguished majority leader yield for a question?

Mr. HALLECK. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that this bill provides for \$6,745,000,000, less than the \$92 million, rather than the figure the gentleman referred to, because there are these unobligated carryover funds?

Mr. HALLECK. The figure I first referred to, \$7.6 billion, did not contemplate carryover funds. Of course, the figure the gentleman refers to is the figure in the conference report of \$6.6 billion. I was discussing two comparable figures which were \$7.6 billion and \$4.5 billion.

Mr. Speaker, finally, as I see this, as we come to the closing days of the session, and after all of the work that has been put on this, I believe we should accept this conference report, send it on to the other body where it may be acted upon, so that we may go on with the other work before the Congress with a view to an early adjournment.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I rise at this time to make an observation or two. It seems that the gentleman from New York, the distinguished chairman of the House Appropriations Committee [Mr. TABER], and the distinguished majority leader [Mr. HALLECK], appear a bit uncomfortable in their present position, to say the least. But I must admire their courage. Finally, after the legislative history of the Mutual Security Act of 1953 and the mutual security appropriation bill now before you, they have rallied to the support of President Eisenhower. The gentleman from New York [Mr. TABER] now brings to you for your approval a bill increased from the figure of \$6.1 billion, as it passed the House, to the figure of \$6.6 billion, agreed to by most of the House conferees. Which leads me to say that the House has been abandoning its legislative duties and prerogatives. It seems that the Republican Members are not the slightest bit interested in following the leadership of the President. How many times have we been told that the other body would do the real legislating on the mutual security appropriation bill and not the House? And this has applied to other measures we have had before us in the past few weeks. Has the majority not just sat idly by and let the other body take the bit in their teeth? Did it not do so with regard to the Voice of America—and you well remember I stood in the well of this House and pointed out that the Voice of America should have the extra \$20 million making a total of \$80 million that President Eisenhower and his administration insisted was necessary, but

the House refused the amendment and blithely let the bill go along to the other body; and immediately, pronto, \$20 million additional for the Voice of America was inserted by the Senate. That is the supplemental appropriation bill on which we meet in conference this afternoon. I predict that that item will be at least \$75 million when the conferees are through with it.

I called your attention to the refusal of an automobile for the Architect of the Capitol and predicted that it was going to be restored in the other body. Sure enough, that legislative-judiciary appropriations bill is down at the White House now with the automobile for the Architect of the Capitol included.

Mr. H. CARL ANDERSEN. Mr. Speaker, I wonder if the gentleman from New York will yield me 1 minute.

Mr. TABER. Not at this time. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, the total carried in this conference report is almost \$93 million less than the total carried in the Senate bill. It is more than \$669 million less than the total thought advisable by our great President, with his broad experience in this field. It is over \$3 billion less in terms of new money than the total requested in January by President Truman.

For years, Mr. Speaker, America, through this program and in other ways, has sought to bring about a united front among the free nations of the world, in the light of the military might of the Communist government of Russia.

For years the Communist government of Russia has sought to divide the free nations, to make united action impossible, and to proceed generally under the policy of divide and rule.

The purpose of this bill, Mr. Speaker, is to maintain and to strengthen the united front between the free nations of the world in the interest of world peace.

I realize that the issue as to foreign aid cuts squarely across party lines on both sides of the aisle. The issue has already been resolved, however, in respect to the fiscal year 1954. The only question remaining is the amount of funds to be provided to implement the policy during the year.

I fully appreciate, Mr. Speaker, the shortcomings of the Mutual Security Administration in the past, the waste, the extravagance, and the errors of judgment.

I fully appreciate also the disappointing lack of understanding and response at times among some of those with whom we have sought to cooperate.

I am, of course, opposed to spending more money for this or any other purpose than is necessary.

Nevertheless, Mr. Speaker, I believe that the fundamental objective sought by this bill is vital not only to America but also to the entire free world.

I believe that the President of the United States shares this point of view, and I intend to support him in his efforts to assure and maintain a proper security program for the Nation.

I regard the expense involved as a part of the expenditure essential to our national defense.

I believe that we should not further reduce the figure included in the conference report at this time.

I believe that the proposed motion to recommit, striking as it does at military aid to Europe, strikes at the very heart of the bill.

I am opposed to the motion to recommit.

I urge the adoption of the conference report.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. If I have any time.

The SPEAKER. The gentleman's time has expired.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. JAVITS. Mr. Speaker, when this bill for appropriations for the foreign aid program was before the House I tried very hard to restore the amounts there provided to meet the urgent recommendations made by the President.

In response to the arguments here that we have abandoned our legislative prerogative, let me say that we are exercising our independent judgment upon this conference report, the advice of the President notwithstanding, and let no one forget that. For the President said expressly he needed \$650 million more than is contained in this conference report for this program in the security interest of the United States. I shall support this conference report as the best course open to us as I hope a great majority of the House will, too.

Let us not fool ourselves that by so doing we are abandoning any legislative prerogatives. We are cutting the total amount of the President's urgent request, including unobligated funds, and the authorizations of the Mutual Security Act passed by both bodies and signed by the President only some weeks ago by over 10 percent, \$650 million as against \$7,300,000,000 roughly, which includes the unobligated balances.

As far as the motion to recommit is concerned, and I think it is very important, what does it do? It strikes at the very weakest point of the bill by seeking to take another \$211 million off of the unobligated carryover for military assistance to Europe because let us not forget that we have already put in blocked account and tied up a billion dollars of the military assistance for Europe in the authorization bill if the European Defense Community is not approved in this fiscal year. Observers in Europe tell us that is not at all sure. We like to stand here and assume that we are the masters of all events; however, we are only the mere servants. If EDC is not approved in fiscal 1954, it takes in effect a billion dollars of military assistance for Europe out of the bill unless Congress acts to lift the restriction. What my colleague

who is going to offer the motion to recommit is doing is to take \$2 million more out of that very same item of military equipment for Europe.

Let me point out also that the Europeans are spending this year \$14,900,000,000 of their own money, and everybody agrees they have a lot less than we have even for so serious a matter as defense for military equipment and military use.

Hence I believe this conference report is the best that can be done in this situation and that it fully sustains the prerogatives of the House.

May I say one word about the debt limit. Certainly the debt limit is very important to all of us. It is also important to see what the United States has got—what it has got to defend, what the United States has got to protect, what is back of the debt limit and behind the securities of the United States. Figures recently released by the National Industrial Conference Board say that assets and property of American consumers is valued at almost three quarters of a trillion dollars, net. Personal incomes are at the rate of \$285 billion per annum (upon estimated 50 percent in real buying power since 1939) and gross national product is at the rate of over \$360 billion per annum. Does anyone pretend that the United States is not solvent, even with the increase in the debt limit, therefore are we not under the solemn duty in the Congress to defend what we have? I believe we are and I believe the House will feel the same way.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, I am thinking today about BOB TAFT. On July 1 he spoke on the mutual security authorization bill. It was his first and his last speech on returning to the Senate after his protracted illness. He must have thought this was important. I guess it is the last speech he ever made.

I was in the Senate that day and here are some of the things he said:

Mr. TAFT. Mr. President, I supported the bill in committee and I intend to vote for it. * * * The Appropriations Committee is in a far better position to determine what cuts can be made. This is largely a military-aid program. It is closely integrated with our military program so that the Appropriations Committee can consider both. In certain cases it may be cheaper for us in the long run to arm our allies than to provide additional American troops that might be necessary.

Then he voted to lay on the table an amendment cutting the authorization \$2 billion; he voted against the amendment to cut it a billion dollars; and when the roll was called on the amendment to cut it \$320 million, Senator DIRKSEN, when his name was called, said:

The majority leader, the Senator from Ohio [Mr. TAFT], has been compelled to leave the Chamber. I have a pair with him. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Under the circumstances I withhold my vote.

The Appropriations Committees have now considered, as TAFT said, "the ques-

tion of where savings can properly be made." Senator DIRKSEN, a conferee, is for this conference report, which is more than \$600 million below the President's final request. This conference report is the final formal action of the Appropriations Committee members who were conferees.

The amounts have been subject to the skillful, and searching, and ruthless, and patriotic scrutiny of JOHN TABER and his colleagues. The result strikes me as satisfactory, but I confess that I am not sure about every amount taken out, or every amount left in. This is true of almost every bill that comes up. Very few of us know everything about everything in every bill.

We have to take certain things on faith. We should take this one on faith; faith in Eisenhower, who says this is as important as our defense appropriation; faith in TAFT, faith in TABER, faith in the work of strong men under the system of checks and balances that guide and preserve our Republic.

Mr. Speaker, we should support this conference report and oppose the minority's motion to recommit.

Mr. TABER. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Speaker, I favor the adoption of this conference report. I was one of the managers on the part of the House who signed this report. I think that the managers did a very good job. While there are certain things in the bill that we do not care very much about, I certainly favor upholding the hands of the President of the United States and I urge its adoption.

The proposed motion to recommit which will be offered will cut the very heart out of the bill.

When I spoke on the appropriation bill when it was before the House I stressed the fact that the military aid to Europe was really the "heart of the bill." In our committee hearings I repeatedly contended the same thing.

Therefore I was happy to reinstate some of the funds for military aid for Europe in conference.

Some of the technical aid throughout the bill was deleted in conference. I was in accord with this action.

I am glad to support this report because as I said before, "I want to uphold the hands of our great President who I think knows more about our foreign conditions than any one in this House or the country."

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, if I did not believe that most of the money spent in the mutual-security program since 1948 has saved the United States taxpayer money, I would vote against the whole thing. Without it, he would have had to spend more, not less, for America's defense.

I remember a day in March 1948, up in the Foreign Affairs Committee room, when General Wedemeyer was before us. Six months previously he had made his study of China and Korea, but the report was withheld from us. The Communists were still relatively weak, but

it was clear the Chinese Government, weakened by 8 years of invasion, would go down without the right kind of assistance promptly. He was asked what he thought would be necessary to prevent that great strategic area from falling into the hands of the Communists. He said three things: Moral support for those who are resisting; second, authority for our advisers there to give real advice and training to Chinese troops instead of being shackled by restrictions from Washington; and, third, \$350 million a year of military and economic aid for 3 years. But, he said, to make an outside estimate, he would say half a billion dollars a year, or a total of a billion and a half dollars over a period of 3 years. With such a program he was confident the situation could be saved.

Certain members of the committee objected that we could not afford such a sum, the United States could not stand scattering our substance all over the world by spending one and a half billion dollars in China in the next 3 years. So we saved \$1,500,000,000, apparently. But in reality that economy cost us scores of billions of dollars. Our annual military budget at that time was about \$12 billion. After the Korean invasion, which could never have taken place without the Communist conquest of China, our defense budget went up as high as \$46 billion in 1 year.

Last week we passed the bill appropriating \$34 billion for our own Defense Department for this new fiscal year. Nothing we ever did cost us more money than that \$1,500,000,000 we thought we were saving. However much we have put into mutual security in Europe and elsewhere, it is small compared to what a war would have cost, and compared to the tens of billions of dollars, the war in Asia has cost, not to mention the 25,000 American boys already dead, because we did not adopt a mutual security program in China then.

Now we are going into the toughest political conference Americans ever faced. The Communists could not lick the American and Korean forces on the field of battle, so they said, "Let us have peace." We did not defeat them when we had the power because our Government did not have the will. Now it does not have the power in Korea, and so it accepted the armistice. We now go to the conference table without the top cards which only victory could have given us. The Communists intend to win at the conference table what they could not win on the battlefield. If now we also take away the strong card of firm assistance to our allies, what can our representatives do? It is imperative that we not tie or weaken the hands of our negotiators and thereby lead to a further crumbling of the free world, with still larger defense expenditures resulting.

The weakening of our side which inevitably follows such a failure to win victory has already begun. We signed the truce 5 days ago. Day before yesterday the Japanese House of Representatives took action to demand increased trade relations with Communist

China. They know who gained most in Korea if we do not yet. Our side is beginning to wobble.

Sometimes I hold my breath for my country. Sometimes I wonder whether we are mature enough, intelligent enough, steadfast enough to win the struggle in which we are now engaged. But, when the chips have been down in the past, the people and this Congress have come through, and I believe we will today.

I repeat that, much as I have criticized some of the operations of MSA for the waste and inefficiency, I believe that on balance it has saved money. It would have cost us more if we had not had it. And I believe, our choice today is not so much between this and something less; our choice is between this and something more, just as it was that day, more than 5 years ago, up in the Committee on Foreign Affairs. We chose then the method of greatest cost, thinking we were saving. Let us not do it again today. Let us vote against this motion to recommit and carry on steadfastly. Having put our hand to the plow, let us not prove ourselves unfit for victory by turning back at the very moment when at long last we are beginning to get dividends on the enormous investment already made.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, my distinguished friend from Minnesota read to you from the RECORD my remarks when this bill was considered several days ago before this body. I said then I thought our committee had recommended a fair bill, and I do not retract one single word that I uttered.

I explained then that the bill was a compromise. It was not exactly as I would have written it nor was it as any other member of the committee would have written it. The facts are that practically all legislation is a matter of compromise. We have our differences of opinion, and I thank God for it, because it has been the differences of opinion in America and the fact that we can voice our differences that has made America great. When the time comes that we must all think one way and act one way and be afraid to speak out, then America is doomed. We compromised our differences, then, and I was willing to accept that compromise.

If we had been the only body to consider the measure that would have been the end of the controversy, but our forefathers determined, wisely, I think, that we should have two bodies in the Congress of the United States, and the Senate must concur in the action that takes place in the House before a bill becomes final. They have a different view. Therefore, it became necessary to compromise again. Our conferees sat in conference with the Senate conferees until the late hours of the night last night in an effort to reach an agreement.

We had one suggestion there that gave us great concern. The Senate had voted to strike from our bill \$100 million for Indochina. We considered that the most vital item in the entire bill.

We were advised, and we agreed, that the cut of that appropriation might bring repercussions that would be very serious to the security of the United States, because if there is any weakening of effort in Indochina it will open up that great gateway to Asia and we might lose all of Asia. We, therefore, insisted on restoring that \$100 million, which the Senate finally agreed to. We cut out \$100 million elsewhere in the bill to make up for that restoration, and then cut an additional \$90 million from the Senate bill. With this restoration the bill is \$92 million net less than the Senate bill but as a matter of fact we have cut other Senate items a total of \$192 million.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that the conference report before us still calls for \$466 million more than the bill the House passed?

Mr. GARY. Four hundred and fifty-five million dollars more than the House passed.

Mr. PASSMAN. I stand corrected.

Mr. GARY. Four hundred and fifty-five million four hundred and thirty-four thousand two hundred and eleven dollars.

Let me tell you what the distinguished gentleman from Louisiana would do. We have served on committees together, and I have a very high regard for him, but this is what he proposes to do. He proposes to cut \$200 million from this bill. Where? In the military aid to Europe. That is the very crux of the entire bill.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. PASSMAN. Is it not true that would only bring it back to what the House originally approved?

Mr. GARY. But that is where you are taking the cut; it is being taken from military aid to Europe, which is the vital part of this entire program.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. H. CARL ANDERSEN. The gentleman recognizes, of course, that the President has a 10-percent transferability in the entire bill, and that he can throw \$400 million additional, if he so wishes, into the European area, if it is short. Let us be frank with the House. Is that not a fact?

Mr. GARY. It is a fact that the President has authority to transfer 10 percent of the funds appropriated for one item to another item in the bill.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. TABER. The total amount of this particular setup is \$3,200,000,000, and the rest of it is only about \$2,900,000,000. Ten percent of that would be \$290 million and not \$600 million.

Mr. GARY. That is correct; and it is also true that a large portion of the amount deducted from the Senate bill came out of European defense military aid.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. HARRIS. How much money is there in this bill for economic assistance?

Mr. GARY. That amount has been stated. Frankly, it is scattered throughout the bill in various items, and it would consume the rest of my time to attempt to collect them. I am sorry I cannot answer the gentleman, but funds for economic aid have been cut.

Mr. Speaker, I do not know of any bill that has been more carefully considered by the Congress than this measure. First, we had the authorizing legislation. That went through the House. It then went through the Senate. It went to the committee of conference, and it was thoroughly considered. Then came the appropriation bill. It could not appropriate more than the authorizing legislation, but it could appropriate less—and we have cut the authorizing legislation by over \$600 million. The appropriation bill went through the Committee on Appropriations. It passed through the House, and it has been to the other body. It has been in conference. I do not believe that in the few hours remaining in this session we can improve on this bill. I do not believe we can reach a more satisfactory compromise with the Senate. In some respects this bill is better than the House bill. In some respects it is not as good, but I am convinced that it is a fair compromise. I hope it will be the pleasure of the House to accept it and vote against the motion to recommit.

Mr. TABER. Mr. Speaker, your committee went over this situation pretty carefully just as much as we could in the time that we had available. I do not say we caught everything that should be eliminated and eliminated them, but I do remember particularly that we cut out such items as the railroad in East Africa and the defunct coal mine that it was to lead to—an outfit that had been a complete failure. We did not feel we should go into supporting such things. I might say the gentleman from Minnesota participated in throwing out that particular item.

Mr. H. CARL ANDERSEN. Yes, but would the gentleman concede, perhaps, that item was restored last night?

Mr. TABER. It was not restored because the item that covered that sort of thing was cut by the Senate \$4 million more. That would not possibly follow. I want the House to vote on this particular thing on the merits of the amendment only. It proposes to cut off from the European picture \$211 million. Frankly, with the Korean picture out and the demand upon the Communists to move less stuff into Korea, there is going to be more need on our part to take care of the situation in Western Europe. We have there many troops who have not yet been equipped with as much materiel as they need to look after the situation which they confront. I do not want to be a party at this time and in this place to holding up that particular situation. I feel we should not at this time attempt to do anything except to approve the conference report as it stands, and allow the President and the new head of the Mu-

tual Security Administration, Harold Stassen, to move ahead and show us and show the world what they are able to accomplish with funds that will be available to them.

I have every pledge from both of them that they will see that this program is carried forward in a way that should command the respect and admiration of the people. I hope at this time the House will vote down the motion to recommit.

Mr. Speaker, I move the previous question.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. No; I do not yield.

Mr. H. CARL ANDERSEN. Mr. Speaker, a point of order. I will have to insist upon a point of order that no quorum is present if the gentleman will not yield.

I will have to ask for the yeas and nays on the previous question in that case, if the gentleman is not courteous enough to yield to me.

Mr. TABER. The gentleman has been yielded to time after time.

The SPEAKER. The gentleman declines to yield. If the gentleman desires to ask for the yeas and nays on the previous question, that is his privilege.

Mr. H. CARL ANDERSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. H. CARL ANDERSEN. Is there any time left?

The SPEAKER. There is no time left.

Mr. H. CARL ANDERSEN. Is all time consumed?

The SPEAKER. All time has expired.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. PASSMAN. Mr. Speaker, I offer a motion to recommit which I send to the desk.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. PASSMAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. PASSMAN moves to recommit the conference report on the bill H. R. 6391 to the committee of conference, with instructions to the managers on the part of the House to insist upon disagreement to the amendment of the Senate numbered 2.

Mr. TABER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. PASSMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 192, nays 200, not voting 39, as follows:

[Roll No. 116]

YEAS—192

Abbitt	Andresen,	Barden
Abernethy	August H.	Battle
Adair	Andrews	Beamer
Albert	Angell	Becker
Alexander	Ashmore	Belcher
Andersen	Bailey	Bennett, Fla.
H. Carl	Baker	Bennett, Mich.

Bentley	Gavin	Nicholson	O'Neill	Rivers	Sullivan	Boland	Harvey	Osmer
Bentson	Gentry	Norrell	Osmers	Robison, Ky.	Taber	Bolling	Hays, Ark.	Ostertag
Berry	Grant	O'Brien, Mich.	Patterson	Rodino	Thornberry	Bolton,	Hays, Ohio	Patterson
Betts	Gross	O'Konski	Perkins	Rogers, Colo.	Tollefson	Oliver P.	Heller	Pelly
Bishop	Gwinn	Ostertag	Pfost	Rogers, Mass.	Trimble	Bonin	Heseltan	Perkins
Bonner	Hagen, Minn.	Passman	Phillips	Rooney	Vinson	Bosch	Hess	Pfost
Bosch	Haley	Patman	Poff	Roosevelt	Vorys	Boykin	Hill	Philbin
Bow	Hand	Patten	Polk	Sadlak	Wainwright	Bramblett	Hillings	Pillion
Bray	Harris	Pelly	Preston	St. George	Walter	Brownson	Hinshaw	Poff
Brooks, La.	Harrison, Nebr.	Philbin	Price	Saylor	Wampler	Broyhill	Holifield	Polk
Brooks, Tex.	Harrison, Va.	Pilcher	Priest	Scott	Warburton	Buchanan	Holmes	Preston
Brown, Ga.	Harrison, Wyo.	Pillion	Prouty	Scudder	Weichel	Burleson	Holt	Price
Brown, Ohio	Harvey	Poage	Rabaut	Seely-Brown	Westland	Byrd	Holtzman	Priest
Brownson	Hays, Ohio	Rees, Kans.	Radwan	Shelley	Wickersham	Byrne, Pa.	Hope	Prouty
Buchanan	Herlong	Regan	Rains	Sieminski	Widnall	Campbell	Horan	Rabaut
Budge	Hess	Riley	Ray	Simpson, Ill.	Wier	Canfield	Hosmer	Radwan
Burdick	Hill	Roberts	Rayburn	Simpson, Pa.	Wigglesworth	Cannon	Howell	Rains
Burleson	Hillelson	Robeson, Va.	Reams	Small	Wilson, Calif.	Carrigg	Hyde	Ray
Busbey	Hoeven	Rogers, Fla.	Reed, N. Y.	Smith, Miss.	Wolverton	Case	Jackson	Rayburn
Byrnes, Wis.	Hoffman, Ill.	Rogers, Tex.	Rhodes, Ariz.	Springer	Yates	Celler	James	Reams
Camp	Hoffman, Mich.	Scrivner	Rhodes, Pa.	Staggers	Yorty	Chiperfield	Jarman	Rhodes, Ariz.
Campbell	Hruska	Secrest	Richards	Stauffer	Young	Chudoff	Javits	Rhodes, Pa.
Cannon	Hunter	Selden	Riehlman	Stringfellow	Zablocki	Cole, N. Y.	Johnson	Richards
Carlyle	Ikard	Shafer				Condon	Jonas, N. C.	Riehlman
Cederberg	Jarman	Sheehan				Cooley	Jones, Ala.	Rivers
Chelf	Jonas, Ill.	Sheppard				Cooper	Jones, Mo.	Roberts
Chenoweth	Jonas, N. C.	Short				Corbett	Judd	Robison, Ky.
Church	Jones, Mo.	Shuford				Cotton	Karsten, Mo.	Rodino
Clardy	Jones, N. C.	Sikes				Coudert	Kearney	Rogers, Colo.
Clevenger	Kearns	Smith, Kans.				Cretella	Kearns	Rogers, Mass.
Cole, Mo.	Kelley, Pa.	Smith, Va.				Crosser	Keating	Rooney
Colmer	King, Pa.	Smith, Wis.				Curtis, Mass.	Kee	Roosevelt
Coon	Knox	Steed				Dawson, Ill.	Kelley, Pa.	Sadlak
Coudert	Krueger	Sutton				Dawson, Utah	Kelly, N. Y.	St. George
Crumpacker	Laird	Talle				Deane	Koehn	Saylor
Curtis, Nebr.	Lantaff	Teague				Delaney	Kersten, Wis.	Scott
Davis, Ga.	Latham	Thomas				Derounian	King, Calif.	Scudder
Davis, Tenn.	Long	Thompson, La.				Devereux	Kirwan	Seely-Brown
Davis, Wis.	Lovre	Thompson, Mich.				Dingell	Klein	Shelly
Dempsey	Lucas	Thompson, Tex.				Dodd	Kluczynski	Sheppard
Derounian	McCulloch	Tuck				Dollinger	Lane	Sieminski
D'Ewart	McDonough	Utt				Donohue	Lanham	Simpson, Pa.
Dondero	McGregor	Van Pelt				Dorn, N. Y.	Lantaff	Small
Donohue	McIntire	Van Zandt				Doyle	Latham	Smith, Miss.
Dorn, S. C.	McMillan	Velde				Durham	LeCompte	Springer
Dowdy	Mack, Ill.	Wharton				Edmondson	Lesinski	Staggers
Durham	Mack, Wash.	Wheeler				Elliott	McCarthy	Stauffer
Eberharter	Mahon	Whitten				Ellsworth	McConnell	Stringfellow
Edmondson	Mason	Williams, Miss.				Evins	McCormack	Sullivan
Ellsworth	Matthews	Williams, N. Y.				Fallon	McDonough	Taber
Engle	Meador	Willis				Feighan	Mack, Ill.	Thornberry
Evins	Miller, Nebr.	Wilson, Ind.				Fenton	Madden	Tollefson
Fallon	Miller, N. Y.	Wilson, Tex.				Fine	Magnuson	Trimble
Fernandez	Mills	Winstead				Fino	Mahon	Van Zandt
Fisher	Moulder	Withrow				Forand	Mailliard	Vinson
Forrester	Murray	Wolcott				Ford	Marshall	Vorys
Fountain	Neal	Younger				Fountain	Meador	Wainwright
Gathings	Nelson					Frazier	Merrill	Walter
						Frelinghuysen	Morrow	Wampler
						Friedel	Metcalf	Warburton
						Fulton	Miller, Calif.	Weichel
						Garmatz	Miller, Kans.	Westland
						Gary	Miller, N. Y.	Wickersham
						Gathings	Mollohan	Widnall
						George	Morano	Wier
						Goodwin	Morrison	Wigglesworth
						Graham	Moss	Wilson, Calif.
						Granahan	Moulder	Wolverton
						Green	Multer	Yates
						Gubser	Mumma	Yorty
						Hagen, Calif.	Oakman	Young
						Hale	O'Brien, Ill.	Younger
						Halleck	O'Brien, N. Y.	Zablocki
						Harden	O'Hara, Ill.	
						Hardy	O'Neill	

NOT VOTING—39

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dies for, with Mrs. Frances P. Bolton against.

Mr. Hébert for, with Mr. Gordon against.

Mr. Miller of Maryland for, with Mr. Carnahan against.

Mr. Landrum for, with Mr. Taylor against.

Mr. McVey for, with Mr. Buckley against.

Mr. Reed of Illinois for, with Mr. Machrowicz against.

Until further notice:

Mr. Dolliver with Mr. Hart.

Mr. Norblad with Mr. Fogarty.

Mr. Kilburn with Mr. Gregory.

Mr. Kearney with Mr. Powell.

Mr. Vursell with Mr. Watts.

Mr. Schenck with Mr. Spence.

Mr. Golden with Mr. Kilday.

Mr. Gamble with Mr. Lyle.

Mr. Martin of Iowa with Mr. Donovan.

Mr. Bush with Mr. Chatham.

Mr. Scherer with Mr. Morrison.

Mr. Reece of Tennessee with Mr. Morgan.

MESSRS. CROSSER, WEICHEL, DAWSON of Utah, STRINGFELLOW, HOSMER, CURTIS of Missouri, DAWSON of Illinois, HOPE, GEORGE, SIMPSON of Illinois, and SAYLOR changed their votes from "yea" to "nay."

MESSRS. PILLION, HUNTER, and ROBERTS changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

Mr. HERLONG. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 237, nays 156, not voting 38, as follows:

[Roll No. 117]

YEAS—237

Addonizio	Aspinall	Bates
Albert	Auchincloss	Becker
Allen, Calif.	Ayres	Bender
Allen, Ill.	Baker	Blatnik
Arends	Barrett	Boggs

NAYS—156

Abbt	Brooks, La.	Dempsey
Abernethy	Brooks, Tex.	D'Ewart
Adair	Brown, Ga.	Dondero
Alexander	Brown, Ohio	Dorn, S. C.
Andersen,	Budge	Dowdy
H. Carl	Burdick	Eberharter
Andresen,	Busbey	Engle
August H.	Byrnes, Wis.	Fernandez
Andrews	Camp	Fisher
Angell	Carlyle	Forrester
Ashmore	Cederberg	Gavin
Bailey	Chelf	Gentry
Barden	Chenoweth	Grant
Battle	Clardy	Gross
Beamer	Clevenger	Gwinn
Bennett, Fla.	Cole, Mo.	Hagen, Minn.
Bennett, Mich.	Colmer	Hand
Bentley	Coon	Harris
Bentsen	Crumpacker	Harrison, Nebr.
Berry	Cunningham	Harrison, Va.
Betts	Curtis, Mo.	Harrison, Wyo.
Bonner	Curtis, Nebr.	Herlong
Bow	Davis, Ga.	Hieftand
Bowler	Davis, Tenn.	Hillelson
Bray	Davis, Wis.	Hoeven

Hoffman, Mich.	Nelson	Smith, Kans.
Hruska	Nicholson	Smith, Va.
Hunte	Norell	Smith, Wis.
Ikard	O'Brien, Mich.	Steed
Jenkins	O'Konski	Sutton
Jensen	Passman	Talle
Jonas, Ill.	Patman	Teague
Jones, N. C.	Patten	Thomas
King, Pa.	Phillips	Thompson, La.
Knox	Pilcher	Thompson, Mich.
Krueger	Poage	Thompson, Tex.
Laird	Reed, N. Y.	Tuck
Long	Rees, Kans.	Utt
Lovre	Regan	Van Pelt
Lucas	Riley	Vursell
M. Culloch	Robeson, Va.	Wharton
McGregor	Rogers, Fla.	Wheeler
McIntire	Rogers, Tex.	Whitten
McMillan	Scrivner	Williams, Miss.
Mack, Wash.	Secrest	Williams, N. Y.
Mason	Selden	Willis
Matthews	Shafer	Wilson, Ind.
Miller, Md.	Sheehan	Wilson, Tex.
Miller, Nebr.	Short	Winstead
Mills	Shuford	Withrow
Murray	Sikes	Wolcott
Neal	Simpson, Ill.	

NOT VOTING—38

Belcher	Golden	Martin, Iowa
Bolton	Gordon	Morgan
Frances P.	Gregory	Norblad
Buckley	Haley	O'Hara, Minn.
Bush	Hart	Powell
Carnahan	Hébert	Reece, Tenn.
Chatham	Kearney	Reed, Ill.
Dague	Kilburn	Schenck
Dies	Kilday	Scherer
Dolliver	Landrum	Spence
Donovan	Lyle	Taylor
Fogarty	McVey	Velde
Gamble	Machrowicz	Watts

So the conference report was agreed to.
The Clerk announced the following pairs:

On this vote:

Mrs. Frances P. Bolton for, with Mr. Dies against.
Mr. Taylor for, with Mr. Hébert against.
Mr. Gordon for, with Mr. Reed of Illinois against.
Mr. Buckley for, with Mr. McVey against.
Mr. Machrowicz for, with Mr. Landrum against.
Mr. Hart for, with Mr. Haley against.
Mr. Dolliver for, with Mr. Chatham against.
Mr. Kilburn for, with Mr. Morgan against.
Mr. Martin of Iowa for, with Mr. Fogarty against.
Mr. Schenck for, with Mr. Gregory against.
Mr. Scherer for, with Mr. Carnahan against.
Mr. Bush for, with Mr. Lyle against.
Mr. Norblad for, with Mr. Kilday against.
Mr. Golden for, with Mr. Donovan against.
Mr. Reece of Tennessee for, with Mr. Spence against.
Mr. Kearney for, with Mr. Watts against.
Mr. Dague for, with Mr. Powell against.

Mr. GATHINGS changed his vote from "nay" to "yea."

Mr. HART. Mr. Speaker, I cannot qualify on this vote having been necessarily absent. If I had been present, I would have voted "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 7: Page 2, line 22, insert "of which there shall be available for assistance to the Nationalist Government of China on Formosa a sum equal to not less than 20 percent in excess of the sums set up in the document entitled 'Mutual Security Program estimates, fiscal year 1954'."

Mr. TABER. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows: In lieu of

the matter proposed by said amendment insert "of which there shall be available for assistance to the Nationalist Government of China, with temporary headquarters on Formosa, 20 percent in excess of the sums set up in the document entitled 'Mutual Security Program estimates, fiscal year 1954'."

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 26: Page 6, line 20, insert:

"UNEXPENDED BALANCES

"The unexpended balance under each paragraph of title III, Mutual Security, of the Supplemental Appropriation Act, 1953, shall remain available for its original purposes through June 30, 1954, and shall be consolidated with the appropriate fiscal year 1954 appropriation made for the same general purpose in this act."

Mr. TABER. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 26, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"In addition to amounts otherwise made available herein, such amounts of 1953 funds as were obligated prior to June 30, 1953, and deobligated thereafter for any reason, shall be available for reobligation for the purposes of this act during the current fiscal year."

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 31: Page 10, line 22, insert:

"Sec. 104. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually."

Mr. TABER. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 31, and concur therein with an amendment, as follows: Insert the language proposed by said amendment, changing the section number thereof from "104" to "103."

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 33: Page 11, line 7, insert:

"Sec. 106. None of the funds provided by this act nor any of the counterpart funds generated as a result of assistance under this act may be used to balance the budgets or to make payments on the debts of any country nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payments on their debts: *Provided further*, That after September 1, 1953, none of the funds herein appropriated shall be used to make up any deficit to the European

Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties nor shall any of the counterpart funds generated as a result of assistance under this act be made available to such nation."

Mr. TABER. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 33, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 105. None of the funds provided by this act nor any of the counterpart funds generated as a result of assistance under this or any other act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That after September 1, 1953, none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this act be made available to such nation."

The SPEAKER. The question is on the motion.

The motion was agreed to.

By unanimous consent, a motion to reconsider the votes on the various motions was laid on the table.

CONSERVATION OF NATURAL RESOURCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 221)

The SPEAKER laid before the House the following message from the President of the United States which was read by the Clerk and referred to the Committee of the Whole House on the State of the Union, and ordered printed:

To the Congress of the United States:

In the stress of dealing with urgent problems of peace and security and budget appropriations and tax revenues, we sometimes overlook the fundamental importance to our national well-being of constructive, forward-looking policies designed to conserve and improve the Nation's natural renewable resources.

Before the Congress adjourns, therefore, I believe it will be useful to focus attention on some of our basic land and water resource problems and to point the way for constructive efforts to improve the management and use of these resources.

In my state of the Union message, I called attention to the vast importance to this Nation now and in the future of our soil and water, our forests and minerals and our wildlife resources. I indicated the need for a strong Federal program in the field of resource development. At the same time I pointed to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 4, 1953
For actions of August 3, 1953
83rd-1st, No. 147

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HIGHLIGHTS: Both Houses completed congressional action on supplemental appropriation bill and bill for tax amortization of grain storage facilities. Senate completed congressional action on foreign-aid appropriation and trade-agreements bills. House completed congressional action on animal-disease and Alaska-forest-survey bills. Senate Agriculture Committee announced investigations. Both Houses adjourned sine die.

SENATE

1. FOREIGN-AID APPROPRIATION BILL, 1954. Agreed to the conference report on this bill, H. R. 6391 (pp. 11248-50, 11267, 11269, 11273-7). This bill will now be sent to the President.
2. TRADE AGREEMENTS. Agreed to the conference report on H. R. 5495, to extend the authority of the President to enter into reciprocal trade agreements (pp. 11280-1). This bill will now be sent to the President.
3. SUPPLEMENTAL APPROPRIATION BILL, 1954. Both Houses agreed to the conference report (second) on this bill, H. R. 6200 (pp. 11325-33, 11366-9). The bill will now be sent to the President.
4. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1954. Receded from disagreement to a House amendment (regarding airports) to this bill, H. R. 4974 (pp. 11291-4). The bill will now be sent to the President.
5. EDUCATION. Both Houses agreed to the conference reports on H. R. 6049 and 6078, to aid school districts in federally affected areas (pp. 11317-25, 11369-74). These bills will now be sent to the President.
6. FOOD INSPECTION. Passed without amendment H. R. 5740, to restore factory-inspection authority to the Food and Drug Administration (pp. 11299-308, 11358-9, 11391). This bill will now be sent to the President.

7. TAXATION; GRAIN STORAGE. Passed as reported H. R. 6426, which provides, among other things, an income-tax deduction for amortization of farm storage facilities built in calendar year 1953 and in the 3 succeeding calendar years (pp. 11380, 11385-9). The House agreed to the Senate amendments (pp. 11360-1). This bill will now be sent to the President.
8. INVESTIGATIONS. The "Daily Digest" states that the Agriculture and Forestry Committee: "Agreed to hold field hearings in continuation of the investigation of feed wheat from Canada; tentatively agreed to conduct a followup inspection on the operations of the drought-relief program; and tentatively agreed to hold hearings in the West on grazing policies and land management of the national forests" (p. D838.)
9. PERSONNEL. Sen. Butler, Nebr., inserted a statement from a group of veterans favoring absolute power to dismiss 5% of Government employees (p. 11225).
Sen. Douglas spoke in defense of Government employees and recommended various proposals to improve their situation (p. 11237).
10. ELECTRIFICATION. Sen. Lehman inserted Gov. Dewey's testimony favoring State development of Niagara power (pp. 11240-3).
Sen. Johnston spoke in favor of public power development in the South (pp. 11380-5).
Sen. Morse spoke in favor of public power development, especially the Hells Canyon proposal (pp. 11398-415).
11. DEBT LIMIT. Sen. Byrd spoke against increasing the public debt limit (pp. 11244-7).
12. BANKING AND CURRENCY. Sen. Morse criticized the Administration's monetary and fiscal policies (pp. 11394-8).
Sen. Douglas discussed and inserted an analysis by Harriner S. Eccles of monetary and credit policies (pp. 11295-8).
13. TREATY POWERS. Sen. Bricker inserted an article by Felix Morley defending his resolution to limit treaty powers (pp. 11258-65).

HOUSE

14. ANIMAL DISEASES; FOREST SURVEY. Passed without amendment S. 2055, to authorize control and eradication of scrapie and blue-tongue in sheep and minor outbreaks of other animal diseases which may result in larger outbreaks (p. 11342), and S. 725, authorizing a survey of Alaska forest resources (pp. 11342-3). These bills will now be sent to the President.
15. RESEARCH. Passed without amendment S. 977, to provide an open-end appropriation authorization for the National Science Foundation (p. 11344). This bill will now be sent to the President.

ADJOURNMENT

16. Both Houses adjourned sine die and passed a joint resolution providing that the next regular session shall begin Wed., Jan. 6, 1954 (pp. 11366, 11235, 11392, 11363, 11321). Rep. Halleck stated, "So far as I can see there would be no new legislation coming up in a special session, if one is called, which would require action by the House" (p. 11353). All pending bills retain their present status, and action on them will be permissible next year without their being re-introduced.

crease the debt limit merely because of a difference of \$2 billion.

The Senate Finance Committee, under the able leadership of the Senator from Colorado [Mr. MILLIKIN], gave the utmost consideration to every detail of this question within the limited time afforded. We had before us for 3 hours in the morning and 3 hours in the afternoon the very able Secretary of the Treasury and the very able Director of the Bureau of the Budget. We covered the matter as best we could and, by an overwhelming majority of 11 to 4, the committee voted to lay the bill on the table. The majority of the Republican members of the committee voted against the proposal to increase the debt limit—5 out of 8 Republican Senators. The bill was laid on the table. It was not permanently disposed of, but laid on the table, so that if any future emergency should occur it could be taken up.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The Chair reminds Senators that the Senate is still in the morning hour. The Chair has been very generous in permitting colloquy between Senators.

Mr. FULBRIGHT. Mr. President, will the Senator from Virginia yield to me for a question?

Mr. BYRD. I yield.

Mr. FULBRIGHT. In the matter of interest payments, does the Senator from Virginia know whether or not the Government pays a service charge on these deposits?

Mr. BYRD. I really do not know.

Mr. FULBRIGHT. Does not the Senator think it would be well to include that question in the list of items with which he is seeking information?

Mr. BYRD. I agree this information should be available. The purpose of the Senator from Virginia has not been to investigate that question. What I am interested in is the proposal of the administration to increase the debt limit in this crisis at the eleventh hour of the session. We ought to use a part of the bank deposits.

Mr. FULBRIGHT. The Senator is correct. All I wanted to do was to complete the picture. The question is whether or not the Government receives interest. I have been told that not only does the Government not receive interest, but that it pays a service charge.

Mr. BYRD. That may be true. I shall try to ascertain the facts and report to the Senate.

DEVELOPMENT AND CONSTRUCTION OF WATER CONSERVATION FACILITIES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2094) to facilitate the development and construction of water conservation facilities by States and municipalities, and for other purposes, which was, on page 2, line 9, after "municipality", insert "except that the provisions of section 14 and section 4 (b) shall continue to be ap-

plicable to any license issued for a hydroelectric development in the International Rapids section of the St. Lawrence River. The Federal Power Commission in determining the amount of annual charges applicable to any such project may determine the annual charges with reference to the actual cost of services incurred by the Commission with respect to the project."

Mr. MARTIN. I move that the Senate concur in the House amendment.

The motion was agreed to.

THE KOREAN TRUCE

Mr. WILEY. Mr. President, yesterday I released a statement making certain observations on the outlook for the implementing of the Korean truce, and making certain suggestions with regard to our procedure at the political conference on Korea.

I ask unanimous consent that the text of my statement be printed in the body of the CONGRESSIONAL RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR WILEY SAYS B-50 OUTRAGE IS OMINOUS SIGN ON KOREAN CONFERENCE; SUGGESTS GUIDEPPOSTS ON TRUCE DISCUSSION

The unprovoked Russian shooting down of the American B-50 plane is an absolute outrage. It is another bitter sign to the West of the actual attitude of the Soviet Union; a sign more meaningful than all the phony propaganda of the Red "peace offensive."

If the Soviets think that they can shoot down an American plane, kill and imprison American boys with utter impunity, and if they expect to use that sort of gangster tactic in violation of international law for the purpose of applying pressure in relation to the Korean truce, then they are completely misjudging the temper of the American Government and people.

ALLIES ARE MISJUDGING REDS

The Russian action is another bitter omen of what we may expect on the Korean truce discussion.

By this latest action of treachery, they have further proven how wrong some of America's allies are in assuming that the "East-West millenium" is at hand and in optimistically interpreting Soviet intentions.

The latest incident is one more demonstration of the need to "keep America's powder dry."

SIX GUIDEPPOSTS ON KOREAN TRUCE

I should like to make certain additional personal observations on the Korean truce problem. I do not offer these comments as a member of the American delegation to the U. N. General Assembly beginning August 17th.

I do not represent them in any way as the official thinking of a United States Government agency or official.

PLEA TO ADMIT RED CHINA ANGERS AMERICAN PEOPLE

1. America's allies must be made to understand that we continue unalterably opposed to admission of Red China into the United Nations and we will definitely use the veto, if necessary.

We do not propose to make any deal which will result in selling out Nationalist China in return for a unified Korea or anything else.

Those of our Allies who continue to urge admission of Red China are unfortunately

doing the cause of Allied unity a grave disservice.

They have a right to express their views. But, they should be fully aware that every time they make this request, they are pouring salt into the wounds of the families of 25,000 dead American boys, and they are angering the American people as a whole.

The Congress has already spoken unanimously in opposition to admission of Red China into the United Nations.

2. We should continue to oppose any United Nations invitation to Red China and North Korea to come to the general assembly on August 17 for the alleged purpose of presenting comments on the political conference.

Soviet Russia has time and again urged that such an invitation be extended at general assembly and other United Nations sessions. I believed that she should again be flatly voted down by the United Nations.

CONTINUE EMBARGO AGAINST WARMAKING GOODS

3. The United States should insist on United Nations continuation of the embargo on strategic goods to Red China, an embargo which even now is obviously inadequate.

There is no fundamental reason at present to believe that Red China has ceased her aggressive intentions, simply because a truce has been negotiated.

We in the United States do not believe in permitting the resumption of shipping of ammunition to a gangster simply because he has temporarily interrupted his activities and has notified the chief of police that he may be willing to negotiate.

4. Our basic purpose at the political conference is to do everything possible toward a just and lasting settlement for Korea, meaning a free, united and secure nation.

OVERALL ASIATIC CONFERENCE MIGHT COME ABOUT

If as we proceed, we find that the Korean conference goes well, we might enlarge the agenda and the membership in order to take up other pressing Asiatic problems. The Asiatic picture is one, and we must work together to prevent other aggression in that area.

But the initial membership at the basic political conference on Korea should be kept small so as to produce prompt and effective results, rather than endless talk on a variety of subjects.

The U. N. should be represented by a relatively small group. This group must, of course, include the United States and the Republic of Korea, the 2 nations which did 95 percent of the bleeding and dying on behalf of the U. N. banner.

Other members can be selected from the powers which actually contributed combatant forces on behalf of the U. N.

At that conference should sit the three aggressors—Communist Russia, Communist China, and North Korea.

Obviously nothing negotiated at the conference would have any meaning whatsoever unless it had the approval on the one hand of the United States and South Korea, and on the other hand, of Communist Russia and Communist China.

UNITED STATES AND ROK POSITION PREEMINENT

5. With regard to the voting by members of the delegation representing the U. N., I want to make it clear that, in my judgment, this voting should not follow the pattern of ordinary majority rule.

The United States and Korea are not just two other nations. They are the nations which have earned the right—the hard way—to have their preeminent position given particular heed by other peace-loving members of the U. N.

This does not mean that the United States and Korea will together pursue a unilateral

approach, ignoring our allies. Rather, as always in American negotiations, we will seek a multilateral approach in which—to the greatest possible extent—we consult with our allies and other interested powers.

We Americans do not, however, propose to prejudice in any way the unique position won for us by the sacrifice of 25,000 American war dead.

6. The conference should proceed promptly and effectively. We do not propose that it become an endless talkathon.

At the same time, we are not binding ourselves in any rigid way as to what we will do beyond, let us say, a 3-month period after the conference begins.

MUTUAL SECURITY APPROPRIATIONS, 1954—CONFERENCE REPORT

Mr. FERGUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read by the legislative clerk.

(For conference report, see House proceedings of July 30, 1953, p. 10850, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. FERGUSON. Mr. President, in submitting the conference report on the mutual security appropriation bill for 1954, I wish to give the Senate a brief summary of the conference agreement.

The Senate will recall that the revised budget estimate for this program for fiscal year 1954 is \$5,138,922,277 in new funds plus a carryover of unobligated balances in the amount of \$2,182,815,979 for a grand total of \$7,321,738,256. The House of Representatives recommended an appropriation of \$4,438,678,000 in new funds and a carryover balance of \$1,758,010,179 or a total of \$6,196,688,179. The House effected an overall cut in the 1954 program of \$1,125,050,077. After extensive hearings in the Senate committee, the committee was convinced that the House reduction was too drastic. Accordingly, the Senate committee recommended the restoration of \$548,630,023 of the House reduction, and the Senate itself agreed in each instance with the committee's recommendations on these appropriations. The conference committee agreed Thursday night to a total figure of \$6,652,422,390 which is \$92,895,812 under the Senate bill and \$455,734,211 over the House bill. I have an analysis which reflects the figures in detail.

For military assistance, Europe, the Senate recommended \$3,271,977,003, an increase of \$311,977,003 over the House bill. In conference Thursday night, \$100 million of the Senate increase was cut out. For mutual defense financing in Europe, the Senate recommended

\$355,706,906, an increase of \$25,156,977 over the House bill. In the conference, \$20 million of this increase was deleted from the bill. For technical assistance in the Near East and Africa, the Senate bill contained \$43,792,500, an increase of \$19,792,500 over the House bill. The conference committee reduced this increase by \$10 million.

For technical assistance in Asia and the Pacific, the Senate bill contained \$72,100,000, an increase of \$39,100,000 over the House bill and in conference \$10 million of this increase was taken out of the bill.

In the American Republics, for technical assistance, the Senate recommended \$24,342,000, an increase of \$4,342,000 over the House bill and the conference committee cut this item by \$2 million.

For special economic assistance in the Arab States, Israel and Iran, the Senate agreed to a figure of \$140 million, an increase of \$20 million over the House bill. This increase was reduced by \$5 million in the conference committee.

For dependent overseas territories, the House did not recommend any appropriation and the Senate inserted a figure of \$24 million. In conference this figure was cut in half.

For the Korean Reconstruction Agency, the Senate recommended a total appropriation of \$71 million, an increase of \$21 million over the House bill. The Senate will recall that in the supplemental bill Thursday \$200 million was included for relief and rehabilitation in Korea. In view of this, the conference committee recommended in this bill \$50,700,000, a reduction of \$20,300,000 in the Senate bill.

The conference committee discussed the multilateral technical cooperation programs and the International Children's Fund in quite some detail. You will recall that the Senate recommended for multilateral technical cooperation \$9,500,000 for fiscal year 1954 and in addition \$4,595,812 for the balance of calendar year 1953 or a total of \$14,095,812. The conference committee has agreed upon a figure of \$9,500,000 for the fiscal year 1954. With respect to the Children's Fund, the Senate recommended \$9 million for the calendar year 1954 and \$9,814,333 for the balance of the calendar year 1953 or a total of \$18,814,333. The conference committee agreed to a figure of \$9,814,333 for the fiscal year 1954.

The Senate will recall that \$100 million had been taken out of the House figure of \$400 million for Indochina force support, leaving a Senate figure of \$300 million. In conference, the Senate receded, so \$100 million was restored to the bill. With respect to Spain and the unobligated balance of \$125 million, the conference committee agreed that the entire amount be continued available. Seventy-five million dollars of this amount is for economic assistance and \$50 million for military assistance. These figures are in addition to the new funds recommended for Spain.

I hope the Senate will adopt the conference report.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McCARRAN. For the enlightenment of the Senate would the Senator state what has been done with reference to Spain?

Mr. FERGUSON. I shall be glad to give a synopsis of what was done in relation to Spain. For assistance to Spain the bill carries forward the entire unobligated balance of \$125 million. The \$125 million can be used solely for assistance to Spain. Of the total amount, \$50 million is for military assistance, and \$75 million is for economic assistance. In addition to the unobligated balance of \$125 million carried forward there was included in the budget estimate \$91 million for military assistance to Spain and \$10 million for economic assistance to Spain.

The conference committee bill contains \$3,171,977,003 for military assistance to Europe, which is a reduction of \$372,197,910 under the budget estimate. The \$91 million, of new funds, earmarked for Spain for military assistance, would share proportionately in the cut in the budget estimate.

The budget estimate for mutual defense financing, defense support, economic and technical assistance in Europe was in the amount of \$383,906,906. The conference committee bill recommends \$335,706,906, a reduction of \$48,200,000 in the budget estimate.

The \$10 million earmarked for Spain, for economic assistance, would also bear its proportionate share of the reduction.

Mr. McCARRAN. Mr. President, may I ask one further question of the Senator from Michigan?

Mr. FERGUSON. I am glad to yield.

Mr. McCARRAN. Is the Senator in a position to state the total amount that would be received by Spain out of this bill?

Mr. FERGUSON. It would be \$91 million for military assistance, less the reduction of 10 percent, and for economic assistance \$10 million, less about 15 percent reduction.

Mr. McCARRAN. But the \$125 million remains intact.

Mr. FERGUSON. That is right.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DWORSHAK. What is the total amount of money in the MSA bill?

Mr. FERGUSON. The total amount of new funds is \$4,531,507,000.

Mr. DWORSHAK. How much is the reappropriated carryover?

Mr. FERGUSON. \$2,120,912,390.

Mr. DWORSHAK. That is a total of about \$6 billion?

Mr. FERGUSON. \$6,652,422,390.

Mr. DWORSHAK. With the unexpended balance of \$10 billion, approximately \$17 billion will be available during this fiscal year for that program?

Mr. FERGUSON. The \$2,120,000,000 is already included in the \$10 billion. It is about \$14½ billion, as my clerk advises me.

Mr. DWORSHAK. About \$14½ billion?

Mr. FERGUSON. That is correct.

Mr. DWORSHAK. Was there any discussion by the conferees of the possible effect this huge appropriation bill might

have upon the request of the President for raising the debt limit?

Mr. FERGUSON. That point was considered in conference. The conference committee considered the amount of the debt and the amount of money that will be used out of these funds.

Mr. DWORSHAK. Is it not possible that some of these funds might be impounded temporarily without impairing the continuity of the program, in view of the \$8 billion of unexpended but obligated funds?

Mr. FERGUSON. The effect would be very little so far as the debt limit is concerned, because these funds are mostly long-range funds and go into military items, which would have more than 6 months lead time. I might say that commitments made from March to June 30 were more than \$3 billion. So that this will not have very much effect, as I would see the lead time, on the question of the total debt limit.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I am very much interested in all the provisions of the bill, of course, and in the conference report, but I am especially interested at this time in the amendment to section 105, which is carried as a part of the amendment to section 106 in the bill as we find it on the desk, H. R. 6391.

It is amendment No. 33.

Senators will recall that a few days ago I moved an amendment, which is called the Morocco amendment, which I should like to read into the RECORD for the purpose of the RECORD at this point:

Provided further, That after September 1, 1953, none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties nor shall any of the counterpart funds generated as the result of assistance under this act be made available to such nation.

That is the amendment which was adopted in the bill, and to which the conferees, I note, have added, after the word "parties," the following: "and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction."

Frankly I do not like the provision which was added. In my judgment, it weakens the amendment. I still think that the amendment, if it is carried out in spirit, will do the job, but I want to know, if the Senator will be kind enough to tell me, what was in the minds of the conferees and how the conferees interpreted that amendment as amended by the conferees.

Mr. FERGUSON. I would say to the Senator from Iowa and to the Senate that it was not the desire of the conferees to weaken the amendment. The desire was to pinpoint the amendment and to apply it to the Morocco situation. We knew and understood that the International Court of Justice had made a decision in the Morocco case.

Mr. HICKENLOOPER. In my judgment the understanding of the Senate conferees is absolutely correct.

The International Court of Justice, in a judgment of August 27, 1952, to all intents and purposes decided against the French on all issues, and in favor of the American position. The Court held, in effect, that the French had been compelling violation by Morocco of the treaties, with the result that United States citizens were not being treated with equity, as compared to the treatment given French citizens; and still nothing was done about it.

I call attention to the fact that in 1949 this matter was before the Senate, and at that time the so-called Connally amendment was adopted. In many ways it was merely a declaration of our opinion, and compelled nothing.

In 1950, I succeeded in having adopted an amendment similar to the one contained in this bill; but the State Department for one reason or another failed completely to implement the amendment, and, in my judgment, failed to comply with the law Congress had passed.

Then the State Department became a party to the appeal the French took to the International Court of Justice—which I think the French were not fully authorized to take. In virtually every respect the Court held for the United States contention; in other words, it held that the French were compelling Morocco to violate the treaties. I referred to this matter several days ago.

Mr. SALTONSTALL. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. Let me say that the House resisted this amendment. So in the conference we pinpointed it to Morocco, because in the conference it could not be determined from the language of the amendment, as it was then drawn, to what other situations it might apply.

Mr. KNOWLAND rose.

Mr. HICKENLOOPER. Mr. President, does the acting majority leader wish to ask a question.

Mr. KNOWLAND. I merely have in mind that at about this time we must have a quorum call, prior to proceeding to the rotunda of the Capitol.

Mr. HICKENLOOPER. Mr. President, let me ask whether the Senate conferees were aware that the State Department in several memoranda in the past has stated positively that the treaties with Morocco were not being carried out. I am not speaking of the recent letter of Secretary Dulles, but I am referring to several years ago. Of course that situation is apparent.

Mr. FERGUSON. That is what the International Court decided.

Mr. HICKENLOOPER. That is correct. Secretary Dulles, in a letter written several weeks ago, indicated clearly that Morocco was not carrying out the treaties with the United States insofar as equality of treatment for American citizens is concerned.

As the author of this amendment, I wish to say that in my mind it means

that if the French continue to prevent Morocco from carrying out the terms of these treaties, and from giving American citizens equal treatment, then every dollar of our assistance should be withheld from them until they do comply with the treaties.

Mr. FERGUSON. Mr. President, this language is very plain. As I have said, we tried to pinpoint it in order to indicate clearly what the Senate had provided.

Mr. President, I now move the conference report be agreed to.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan.

The motion was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6391, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,

July 31, 1953.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment insert: "of which there shall be available for assistance to the Nationalist Government of China, with temporary headquarters on Formosa, 20 percent in excess of the sums set up in the document entitled 'Mutual Security Program estimates, fiscal year 1954'";

That the House recede from its disagreement to the amendment of the Senate numbered 26, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"In addition to amounts otherwise made available herein, such amounts of 1953 funds as were obligated prior to June 30, 1953, and deobligated thereafter for any reason, shall be available for reobligation for the purposes of this act during the current fiscal year."

That the House recede from its disagreement to the amendment of the Senate numbered 31, and concur therein with an amendment, as follows: Insert the language proposed by said amendment, changing the section number thereof from "104" to "103."

That the House recede from its disagreement to the amendment of the Senate numbered 33, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Sec. 105. None of the funds provided by this act nor any of the counterpart funds generated as a result of assistance under this or any other act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That after September 1, 1953, none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction, nor shall any of the counterpart funds generated as a result of assistance under this act be made available to such nation."

Mr. FERGUSON. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 26, 31, and 33.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Michigan.

Mr. McCLELLAN. Mr. President, is the Senator from Michigan requesting adoption of the conference report?

Mr. FERGUSON. The conference report has already been agreed to.

Mr. KNOWLAND. Mr. President, the conference report has been adopted. The Senator from Michigan has now moved that the Senate concur in the amendments of the House to certain amendments of the Senate.

Mr. FERGUSON. Yes.

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bridges	Carlson
Anderson	Bush	Case
Barrett	Butler, Md.	Chavez
Beall	Butler, Nebr.	Clements
Bennett	Byrd	Cooper
Bricker	Capehart	Cordon

Dirksen	Jenner	Murray
Douglas	Johnson, Colo.	Neely
Duff	Johnson, Tex.	Pastore
Dworshak	Johnston, S. C.	Payne
Ellender	Kefauver	Potter
Ferguson	Kennedy	Purtell
Flanders	Kerr	Robertson
Fulbright	Kilgore	Russell
George	Knowland	Saltonstall
Gillette	Kuchel	Schoeppel
Goldwater	Langer	Smathers
Gere	Lehman	Smith, Maine
Green	Lennon	Smith, N. J.
Griswold	Long	Sparkman
Hayden	Magnuson	Stennis
Hendrickson	Malone	Symington
Hennings	Mansfield	Thye
Hickenlooper	Martin	Watkins
Hill	McCarran	Welker
Hoey	McCarthy	Wiley
Holland	McClellan	Williams
Hunt	Millikin	Young
Ives	Morse	
Jackson	Mundt	

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is absent on official business.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr.

HUMPHREY], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

The VICE PRESIDENT. A quorum is present.

MEMORIAL SERVICES FOR THE LATE SENATOR ROBERT A. TAFT, OF OHIO—ADJOURNMENT

Mr. KNOWLAND. Mr. President, I am about to move that the Senate stand adjourned until 1:30 this afternoon. When the Senate adjourns at this time, it will proceed in a body to the rotunda of the Capitol, for the memorial services on the late senior Senator from Ohio, Mr. TAFT.

Mr. President, I now move that the Senate stand adjourned until 1:30 this afternoon.

The motion was agreed to; and (at 11 o'clock and 38 minutes a. m., Monday, August 3, 1953) the Senate adjourned until 1:30 p. m. the same day.

Thereupon, the Senate, preceded by the Vice President, the Secretary (J. Mark Trice), the Sergeant at Arms (Forest A. Harness), proceeded to the rotunda of the Capitol, where the memorial services were held.

viduals dying in the service who are reintegrated;

H. R. 4508. An act to authorize the sale of certain lands to the State of Oklahoma;

H. R. 4980. An act to amend section 3250 (1) (5) of the Internal Revenue Code to provide that a person entitled to drawback with respect to certain nonbeverage products may elect to receive such drawbacks on a monthly instead of a quarterly basis;

H. R. 5118. An act for the relief of Louise Kaden and Elke Beate Kaden;

H. R. 5238. An act to authorize the sale of Army, Navy, and Air Force stores at military establishments to civilian employees of the Government, and for other purposes;

H. R. 5486. An act for the relief of Irene Andrews; and

S. J. Res. 62. Joint resolution to establish the Jamestown-Williamsburg-Yorktown Celebration Commission, and for other purposes.

MUTUAL SECURITY APPROPRIATIONS, 1954

The Senate resumed the consideration of the amendments of the House to the amendments of the Senate numbered 7, 26, 31, and 33 to the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Michigan that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 26, 31, and 33.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas will state it.

Mr. McCLELLAN. Has the conference report on the mutual-security appropriation bill been adopted?

The ACTING PRESIDENT pro tempore. The conference report itself has been adopted.

Mr. FERGUSON. Mr. President, let me point to the Senator from Arkansas that certain amendments are still in disagreement.

Mr. McCLELLAN. I wish to make some inquiries of the conferees regarding the conference report.

THE KOREAN TRUCE

Mr. JENNER. Mr. President, I rejoice, as all other Americans do, that the fighting and the dying have ended in Korea.

The President has consented to transfer the battle of wits with Soviet Russia from the cease-fire negotiations, where we were an agent with full powers, to a mysterious political council, where we are only one participant among many, and most of those with a vote will be friends of our enemies. This presents a far more difficult task. It will be even harder to maintain American ideals in the political conference, than it was in the military conferences at Panmunjon.

We cannot enter such a political conference armed only with the confusion and double-talk which have marked our foreign policy-making for decades. It is time for a total change in our foreign policy.

When Benjamin Franklin said there was never a good war or a bad peace, he

spoke out of the fullness of a lifetime darkened, like ours, by a succession of wars which involved Americans in constant fighting not of their making, and stained the soil of Massachusetts and Pennsylvania, Kentucky and Florida, with the blood of helpless women and children.

World wars are nothing new to Americans. Franklin and Washington understood them so well that they left us a heritage in foreign policy which for a century kept us free from foreign entanglements. Franklin and Washington knew what Americans of today must learn again, namely, that every legitimate goal which can be achieved by war can be achieved better by diplomacy.

A nation can achieve peace by diplomacy only if it achieves in peacetime the mental honesty and the moral courage its soldiers display in war. Warm illusions are much pleasanter than cold reality. But intellectual honesty is essential in peace, as in war. Illusion is as fatal in peacetime as it would be on the field of battle.

Mr. President, why have so many of the best statements of our political danger come from our fighting military leaders? Obviously, because they are trained to keep their ideas of the enemy and of their own capacities free of illusions—although the rest of us have been fed on them for 20 years.

The hope of peace requires that we look honestly at our situation in Asia.

By reading in the papers of the debates in Parliament, we in the Senate can learn who are to be the participants in this political council. What a wail was heard yesterday on the part of England, because our Secretary of State had started on a trip to Korea.

Our Government has agreed that Russia, Red China, and North Korea ought to be participants. But by what right?

North Korea is but a geographical expression. Its land is a manmade shambles, its people almost annihilated. It is, in fact, a province of Red China.

Red China has taken no responsibility for the truce. The Chinese delegates profess to represent volunteers, who leaped to the defense of their comrades, without the knowledge or consent of the Red leaders. President Rhee knows better, and he knows that the American people know better.

We know who is steering Red Korea and Red China. Our friends in this political council are to be Britain, Australia, and India.

I say, thank God for Australia. But why not Pakistan rather than India? Or Canada, with its long Pacific coastline and its fighting contingents in Korea? Or the Philippines?

But can it be true that our Government has consented to participate in a Pacific conference in which Red Korea and Red China are included, but in which the Republic of China is not included? We know Mr. Acheson planned it that way more than a year ago. But his sway is over; is it not?

We have the President's promise that he will not permit the betrayal of the shanghaied Chinese and Korean soldiers who surrendered to us. We have his

promise that the United States will work unceasingly for the independence and unity of the Republic of Korea. We have his promise that there will be no appeasements of the Communists. All that is good, but if we are to win the Machiavellian struggle which will take place in this political conference the United States must have a much more definite program than that.

We must give notice now to the other nations in the conference, and in the U. N. that the cease-fire agreement was the end of an era, the last tribute to appeasement. We are done with the illusions of the forties.

The political conference may seem vague and fuzzy to us, but the Soviet leaders are coming into that conference with a complete plan, worked out over a period several years, and with a corps of supporters trained to put it forward in bits and pieces, to be assembled in the final design at the appointed time.

The United States cannot defeat the Soviet Union's careful strategy with confused improvisations.

At the hearings on the nomination of Philip Jessup to be a delegate to the U. N., Mr. Jessup said that, of course, American delegates could not go into U. N. meetings with an American plan and try to get their allies to accept it. The Senator from Iowa [Mr. GILLETTE] asked, "Why couldn't they?" That simple plan has never been tried. We have gone into international conferences wondering about what England wanted, what France wanted, what Russia wanted. We have never worried about what America wanted.

Let us change that as of now. Let us state the American position, and let England and France and Russia worry about us.

What does the United States want as a political settlement in Asia? We want a Republic of Korea, Unified to the Yalu. We want the Koreans to have, as soon as possible, forces fully trained and equipped to hold their share of the line against Russia's advance in Asia. We want no present or future concessions to Red China.

Washington is filled with rumors, coming from holdovers in the State Department, that, of course, we shall have to yield on recognition of Soviet China. President Eisenhower will be confronted with the same boobytraps as those which the Institute of Pacific Relations and its friends constructed so busily, over the last two decades or so. President Eisenhower can protect himself by instructions to his staff that they are not even to discuss this question.

We want the Republic of China permanently established, with full sovereignty over China, and with her unquestioned place in the U. N. We want free China to have an army, navy, and air force, at least as well trained and equipped as the Soviet forces in China, with all that is necessary to open a second front on the mainland of Asia.

We want to amend our laws so that a thousand Chennaults, and 10,000 Flying Tigers, may volunteer to help the Chinese Republic.

This is our last chance to reestablish a free China. It is our last chance to have a friend on the Continent of Asia. If we let free China be made a trustee of U. N., or accept any other subterfuge, the struggle for freedom in Asia will be lost. There will be no way to hold southeast Asia, to defend Korea, or, in a short time, to defend Japan or the Philippines.

If the British want to recognize Red China, that is their affair. But the Reds have refused to recognize Britain. What a strange posture for the British lion.

Let us face one simple fact. There can be no American policy for the Pacific if the Communists are allowed to retain the heartland of Asia.

All American policy must start from a firm decision to reestablish the legitimate anti-Communist government on the China mainland.

We want a Japan fully armed and equipped to hold its share of the line, and free to trade with other free nations which can benefit from her skill and enterprise.

We want no American forces sent to southeast Asia to finish the Korean war under new and more terrible conditions. We want no carefully contrived emergencies by which we shall be forced to consent in haste to the sending of troops to Vietnam or Thailand.

If all the free nations of Asia defend their own countries with modern equipment and modern strategy, Asians will be able to protect all Asia against the Communist tidal wave. But the settlement of Korea is linked inextricably with the Soviet frontier in Europe.

The hungry workers of East Germany, who fight Soviet tanks with their fists, are comrades in arms of the free Koreans and the free Chinese, and, therefore, friends of the United States. Polish flyers who escape from the Soviet Air Force are fighters on our side.

Americans want to open the frontier to all the fighting men in the Soviet forces who can reach our lines. We can give them uniforms, equipment, a flag, and a promise that they may once again hope to live in their own homelands, under a government of laws.

We want to open the borders in reverse to all the brave, adventurous spirits who will deliver arms to the hungry strikers, who will carry on gunrunning on every frontier of the Soviet Empire.

Americans want a united Germany, able to defend its share of the line in the West.

Let us proclaim a united Germany, and act on that assumption.

We shall have to amend the German peace contract to do it, so let us amend it.

Let us decide and have done.

Let us tell Russia to take her troops out of Germany and Austria at once, and we will do the same.

If not, we will move to expel Russia from the U. N., and we will interpret a vote against us, or a refusal to vote, as a vote for our withdrawal from U. N.

Let us end the hypocrisy that the U. N. is preventing aggression when the U. N. does not have the courage to tell the U. S. S. R. its attacks on other nations must stop at once.

When the free nations of Europe each defend their own country with modern weapons and modern strategy, there will be no need for American forces in Europe.

Let us insist on an American settlement in the Near East, meeting the simple requirement that we do not want Near East oil filling the tanks of Soviet planes moving to attack our country. The Russian colossus is crumbling. Its only resource was tribute.

We permitted it to exact the last pound of flesh from Poland, Hungary, and the Balkans.

Now the game is up.

The "save Russia" contingents in our State Department and in Britain are moving heaven and earth to get more concessions for Russia before she collapses.

But we can listen unmoved.

We are told that we cannot go it alone.

But why can we not?

It has been said of the settlement of our country that the timid never started, and the weak died on the way.

At every turn of our history we have been tested for courage.

There was no chance for survival in our land for those who were fearful.

All these struggles, from the first perilous voyages over the Atlantic in sailing ships, to the settling of a continent, have prepared and tested us for this greatest struggle, in which we must show the world the way to reestablish the right to life, liberty, and the pursuit of happiness in their own way.

I believe, Mr. President, that we can make the right choices in this time of trouble only by making a total change in our way of thinking.

We must go down to the deepest roots of American life.

We must rest our decisions on the innermost core of American experience.

We must wholly and completely become Americans again.

This is not the task of the State Department. The State Department is our servant. It will do what we tell it to do, if we speak with no uncertain voice. This is not the task of the President alone.

The task of making a true peace and an honorable foreign policy falls, in the last analysis, on the American people.

But the people have already spoken. They spoke last November. They spoke clearly and unequivocally.

By a magnificent outpouring of political energy, the American people, last November, said they were finished with lies, chicanery, appeasement, hidden Communists, and double-dealing politicians who were willing to sell out their country for an office.

They spoke not as Democrats or Republicans. They spoke as Americans. They believed their country was in danger.

They believed the danger came not from any foreign country, but from men in their own Government who had betrayed them.

They were determined that that betrayal must end.

Let us not make any mistake, Mr. President. The American people did not go forth on election day to put little pieces of paper into ballot boxes, or to push a lever on a voting machine, to help Republicans or Democrats. An angry people marched to the polls to save our country from the danger of attack from abroad through a sell-out from within.

Those angry people have been quiet, Mr. President, but they have not forgotten.

The American people want this country saved, Mr. President.

They are determined that it will be saved. They do not want to save a swollen, top-heavy American empire. They want to save the American Republic.

In their deep political wisdom, they know we cannot safeguard this country unless we hold fast to the ideal of the Republic, and all the wisdom, experience, courage and integrity on which it rests.

The American people know we cannot defend and protect our country if we center most of our political life in Washington, if we turn the largest share of our earnings over to the Government, if we maintain a huge army of bureaucrats, if we let American officials travel about in other countries making enemies faster than we used to make friends.

They know we cannot preserve the Republic if the Federal Government supplies most of the orders for industry, if it manages and directs the labor unions, if it manipulates the value of the dollar, if it maintains a huge propaganda arm, at taxpayers' expense, which is directed by hidden bureaucrats seeking to destroy our freedom.

The American people know we cannot defend our country unless we free ourselves from the spider web of collectivist foreign policy which has been fastened upon us.

The people have not been deceived by the delicate, almost invisible strands of this spiderweb, woven into our laws, into our Presidential directives, into the multitude of decisions made by the middle bureaucracy.

Our intellectuals may have been fooled, but the people are not fooled.

The first session of the 83d Congress is almost at an end.

Half of its political life is now over.

We have struggled with the mess we inherited from the past, but have we done enough?

Have we reestablished the foundation of the Republic, the only foundation on which we can build a foreign or a domestic policy that will be truly American?

We have not yet balanced our budget.

We have not yet cut spending.

Instead of cutting taxes, we have increased taxes.

We have, once again, resorted to spending "printing press" bank loans.

All our acts of omission are summed up in the astounding discovery that a Republican Congress must raise the Fair Deal debt limit.

I congratulate the Senator from Virginia [Mr. Byrd] who protested against the proposal to raise the debt ceiling,

but I cannot agree that the executive branch alone can cut the budget.

The duty primarily falls, not on the President, not on the bureaucrats, but on Congress.

Last year I said Congress alone could save the Republic.

That means Congress alone is responsible if the Republic is not saved.

Mr. MALONE. Mr. President, will the Senator yield at that point?

Mr. JENNER. I would rather not. We are pressed for time, and I desire to finish my remarks and have them in context.

Representative government has no meaning unless the Congress does two things.

It must protect the earnings of the people.

It must protect the youth of the Nation against being sent into executive-made wars over which the people and their representatives have no choice.

Mr. President, what power does U. N. now exercise over men Congress has drafted? Have you ever thought of that?

What happens when an American President takes the role of "U. N. representative," above our law? Have Senators ever thought of that?

Must our troops obey this official of a foreign power, even when he is above our law?

Has Congress lost its historic right to raise and supply the Armed Forces, which is the final protection against arbitrary government?

Do we need another amendment like the Bricker amendment to regain our sovereign control of our Armed Forces?

Does Congress know?

Whether it knows, or does not know, Congress alone is responsible.

We have American forces in England and France.

But our agreements for those bases say we cannot strike without the consent of Britain or France.

They both have treaties of alliance with Soviet Russia which run for 10 more years.

If war starts, and they remain neutral, we cannot move.

Do we really have Armed Forces ready to strike in Europe, or is that only a mirage?

Will our fighting forces be immobilized in a gigantic internment camp?

Congress is responsible for the shape and direction of our foreign policy, and the agencies through which it is implemented.

Congress is responsible for the removal from our Government and our Armed Forces of anyone who might give aid and comfort to the enemy.

The President and his aides enforce the laws, but first Congress shapes the laws as the people will.

We know we cannot have a foreign policy with an American accent if we keep untouched the bureaucratic superstructure erected by the last administration.

It is full of dark corners, where men still hide whose purpose it is to destroy our country.

The people are not fooled, if we are.

We cannot have a strong American defense if we gut our own industrial capital to pay the cost of a Government without a visible ceiling.

In this, the first half of the 83d Congress, we have worked hard, but we have not yet done the one thing needful. We have left our country exposed for 1 more year to the pressure from without, and much of the decay from within, that were planned for us by our own unfaithful servants.

I say, Mr. President, we do not have much more time.

I say that our only hope of stopping the world drift to collectivism with its degradation of the human spirit is the complete and total return to Americanism, with all its rich experience in human freedom.

I say that the responsibility for that turn rests on the Members of Congress.

We dare not miss our only remaining chance.

I believe we must return to this body next January with our minds clear and our hearts firm.

The first duty of the American Congress is to dismantle every remaining vestige of the collectivist supergovernment by rescinding the laws on which it rests and the money on which it feeds.

We shall have the help of former President Hoover's new Commission, but we cannot avoid our responsibilities meanwhile.

We must, in 1954, return to the people the earnings the Government has pre-empted.

We must return to the States and local governments the powers it has seized.

We must free industry, labor, farming, education from all control from Washington.

We must lay the foundations for a wholly new American foreign policy, expressed in plain language for all to see.

We must work with other nations only on the basis of a clear-cut American policy, publicly stated, which will be modified in conference, only in return for specific, clearly stated ends.

Tomorrow will be too late.

The first order of business in the opening of the next session of Congress is to lay down the legislative basis for a total return to the American Republic.

The voters gave the chief responsibility for this task to the Republican Party, but on constitutional issues both parties are responsible.

In party matters, I am a party man, but the preservation of our country and our freedom is not a party matter.

It is as dear to the true Democrats, as it is to the true Republicans.

Enemies of the Republic seek shelter in both parties to destroy it.

Friends of the Republic, in both parties, must work together to restore it.

We can, by working together, put an end to the forces in American political life which still hope to make a one-party absolute Government under their control.

We can make them permanently impotent if the Members of this Congress who believe in the Republic will carry out in 1954, the pledge we made to the American people in 1952.

MUTUAL SECURITY APPROPRIATIONS, 1954

The Senate resumed the consideration of the amendments of the House to the amendments of the Senate numbered 7, 26, 31, and 33 to the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Michigan [Mr. FERGUSON] that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 26, 31, and 33.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON GENERAL REVENUE REVISION

Mr. JENNER. Mr. President, there is at the desk House Concurrent Resolution 183. I ask that it be laid before the Senate for immediate consideration.

The ACTING PRESIDENT pro tempore. There is unfinished business before the Senate. Does the Senator wish to have it temporarily laid aside?

Mr. JENNER. I do not wish to have it laid aside. I thought the concurrent resolution could be disposed of without doing so.

Mr. KNOWLAND. Mr. President, will the Senator make a brief explanation of the concurrent resolution?

Mr. JENNER. This is a House matter. The concurrent resolution calls for the printing of 4,000 additional copies of hearings on general revenue revision. They are very badly needed.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside for the consideration of the concurrent resolution mentioned by the Senator from Indiana, which is a matter of comity between the two Houses.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none.

The ACTING PRESIDENT pro tempore laid before the Senate a concurrent resolution (H. Con. Res. 183), which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 4,000 additional copies of the hearings on general revenue revision held by the Committee on Ways and Means for the use of the said Committee.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

PROPOSED APPOINTMENT OF FORMER SENATOR DANAHER TO THE UNITED STATES COURT OF APPEALS

Mr. PURTELL. Mr. President, I have received a remarkable letter from Mr. David Kammerman summarizing the legal attainments of our former Senator John A. Danaher. Mr. Kammerman of

Hartford, Conn., a member of the Connecticut bar for more than 20 years, is well known to us here in the Senate. As secretary to former Senator Danaher, later administrative assistant to former Senator Hawkes, of New Jersey, and latterly counsel to our Majority Committee on the Calendar, Mr. Kammerman is singularly qualified to pass expert judgment. He strongly endorses the recommendation of Connecticut's Senators that Mr. Danaher be appointed a judge of the United States Court of Appeals in the Second Circuit, to fill the vacancy created by the retirement of Judge Swan, a Connecticut resident. I have secured Mr. Kammerman's permission, and now ask unanimous consent that his letter be printed in the RECORD at this point, and I send it to the desk accordingly.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 1, 1953.

Senator PRESCOTT BUSH and
Senator WILLIAM A. PURTELL,
Washington, D. C.

DEAR SENATORS BUSH AND PURTELL: I was proud to read that our Connecticut Senators had urged the appointment of former Senator John A. Danaher to the United States Court of Appeals for the Second Circuit, a post for which he is eminently qualified by training and experience. But I also saw a newspaper article which had cruelly attacked your choice. It must have been written by one who had no knowledge of the facts. So I have made a special project of assembling a few details which may prove helpful to you.

Mr. Danaher was graduated from Yale College in June 1920, and only a year and a half later took and passed the Connecticut Bar examinations. He was admitted to practice in our State courts 6 months before his law school class graduated, and in February 1922 was admitted to the bar of the United States District Court. Not long afterward, he was appointed to the important post of Assistant United States Attorney for the District of Connecticut and he served in that capacity until July 31, 1934. During that period I first met Mr. Danaher some 22 years ago.

At that time, as a research assistant under appointment by the faculty at the Yale Law School, I conducted an examination into the dockets of the Federal court for the busy District of Connecticut. I can attest that Mr. Danaher handled hundreds upon hundreds of Government cases. He made appearances before the grand jury, he tried cases before the petit juries. War risk insurance cases, admiralty matters, tax cases, criminal cases, all types of Government litigation fell to his lot, and he compiled an outstanding record in disposing of the Government's business—and found himself frequently pitted against Connecticut's leading trial lawyers as he did so.

In his private law practice, Attorney Danaher appeared frequently before the courts of Connecticut as well as in New York, Massachusetts, and Vermont. The Connecticut Supreme Court reports disclose his appearance in that court of highest jurisdiction in at least a dozen cases in his first 15 years of practice. Some of his cases have become landmarks as they established the law of our State.

The scope and variety of his work can be otherwise illustrated. About 1937 a truck drivers' strike occurred in Connecticut and thousands of trucks were idled. Tempers ran high and when violence developed, a criminal case of conspiracy against labor union leaders was presented to the superior court. Although Mr. Danaher had never

represented the union he became chief defense counsel in the famous *State v. Murphy* in a trial which lasted nearly 2 months. When United States Supreme Court Justice VanDevanter stepped down from the Supreme Court, he undertook trial of the case of *United States v. Graham, McKay, and others*, in the United States District Court for the Southern District of New York. Again Mr. Danaher entered for the defense, and after a 30-day trial, his Connecticut defendant was the only one acquitted. That noted case which went up on appeal, against the overlords of Reno involved an alleged conspiracy to use the United States mails to defraud the complaining witnesses of millions of dollars.

In 1932 Mr. Danaher was elected secretary of the state of Connecticut, serving from 1933 to 1935 during which period he was also a member of the State board of finance and control.

As each type of service broadened his experience in the field of government as well as in an active trial practice, Mr. Danaher became widely known throughout the State, and his party nominated him for the United States Senate in 1938. He was elected, leading his ticket, and served from 1939 to 1945. I became his secretary.

On the Committees on Judiciary, Finance, Banking and Currency, and Patents his work was outstanding. The development of legislative history for various bills, so much relied upon by the courts in the interpretation of Federal law, became his special objective. Tax legislation, the patent law and administrative procedure statutes bear the imprint of his work. Courts have cited his arguments. Indeed, in 1942, the Senate press corps voted him the Senator most valuable to his party. That was an especially important honor in view of his efforts to curb the excesses of the extreme New Deal supporters in the Senate. He was only 43 years old at the time.

Still, he remained friends with all his colleagues and was respected on both sides of the aisle because of his purposeful attention to and knowledge of the problems at hand, his integrity, and fairness in debate.

Latterly, appearing before various Government administrative agencies like FCC, SEC, and FTC, his work also has taken him into trade-mark, tax and patent cases, into the court of claims, the customs court and various other Federal courts. Indeed, he recently won a unanimous decision before the Supreme Court of the United States. He is chief counsel in the largest and most important matter before the International Claims Commission involving his client's rights to \$14,500,000 because of expropriation decrees by Yugoslavia.

President Eisenhower in April created the President's Conference on Administrative Law, designated to correct and improve administrative procedures in the Government. Twelve lawyers were named by the President as members of the conference, and Mr. Danaher headed the list, and is chairman of one of the subcommittees.

President Truman appointed him some years ago to serve on the President's Commission on Internal Security and Individual Rights. He has served on various committees in bar association activities looking to the improvement of the administration of justice.

Three out of the last four judges named to the Court of Appeals in the Second Circuit have taken their seats without prior judicial experience. None had a record remotely comparable to that which I have outlined to demonstrate Mr. Danaher's broad background, experience with people and their problems and his practical day-in-and-year-out activity in the field of the law. We should have a man of national policymaking experience to construe and interpret the

Federal legislation in its impact on the cases before the court. Finally, for a change, I'd like to see a real trial lawyer on that bench.

So, pardon me a sense of personal pride as I applaud your endorsement of John A. Danaher, a member of the bar in Hartford and in Washington and of the highest State and Federal courts in Connecticut and in the Nation.

With appreciation, please believe me.

Most respectfully,

DAVID KAMMERMAN.

OUR FOREIGN COMMITMENTS—AND FINANCIAL STATUS OF EUROPE

Mr. MALONE. Mr. President, at this time I should like to state to the Senate that more than \$20 billion are to be spent in Europe during the coming fiscal year: \$6 billion in direct aid; \$1.5 billion in offshore purchases; one-half billion dollars to the United Nations; \$12 billion through military installations and soldier tourists; \$2 billion to encourage the tourist trade, and through other expenditures.

EUROPE—AGGRESSIVELY SEEKING NEW MARKETS

I read briefly from a report carried in the Whaley-Eaton Service of July 28, 1953. I quote from that issue:

An economist's check reveals not a war-torn area with productive facilities and spirit alike destroyed, a people desperate and on the verge of anarchy—but growing and healthy economies, aggressively seeking new markets but willing to work together—worrying about balance and surplus instead of survival.

EUROPEAN TRADE WITH RUSSIA

The junior Senator from Nevada has said many times on the floor of the Senate that the European countries have nearly 100 trade treaties—the 17 Marshall-plan countries—with Russia and the Iron Curtain countries, and those countries are sending to Russia and the satellite countries and to Communist China everything they need to make world war III on us.

GOLD-DOLLAR RESERVES AND TRADE RECOVERY

I read further from the Whaley-Eaton report:

Statistically, since 1948, West European gold-dollar reserves are up from less than \$8 billion to more than \$11 billion—compared to \$9.5 billion before World War II. Overall production is up from an assumed "100" in 1948 to "145" in 1953.

Mr. President, the table put into the RECORD in 1948 in reference to this subject showed that the average then was 97 to 98 percent recovered as of that date, as compared with pre-World War II.

AMERICAN TROOPS—COOLIE LABOR—USE OF AMERICAN TROOPS IN RECONSTRUCTION OF KOREA

This morning, Mr. President, I read an Associated Press dispatch to the effect that our Army in foreign countries, starting with Korea, are to be used in the nature of coolie labor. They are going to work on the roads and houses and general repairs of the war-torn country.

I want to say that I served in the United States as a private, then as a sergeant, and later as an officer, and I know what that kind of labor means. These soldiers will be working many

STATEMENT BY SENATOR JOHNSON OF COLORADO

I have just reviewed the extensive statement by the Senator from Alabama which was inserted in the CONGRESSIONAL RECORD for Saturday, July 11, in which the Senator criticized the Civil Aeronautics Board rather severely for its treatment of the so-called nonscheduled, or irregular, airlines.

I have had occasion to criticize the Civil Aeronautics Board myself in the past. As a member of the Interstate and Foreign Commerce Committee of the Senate, I have studied their operations very carefully. For the same reason, I am familiar with the Civil Aeronautics Act of 1938 which created the Board, and which they are bound to administer and enforce. Based upon this knowledge, I believe that the criticism leveled at the Board by the Senator from Alabama is overly severe and, in some respects, unjustified.

The Senator objects to the Board conducting enforcement proceedings against a number of so-called large irregular air carriers because it is his belief that the regulation which these carriers are alleged to have violated is not equitable or fair. He concedes, as indeed all of us must, that the regulations of an administrative agency have the effect of law, and that they must be enforced by the agency and obeyed by those that are subject to the regulation. It would indeed be most unwise to suggest that any one, of his own volition, subject to regulatory jurisdiction, has the right to determine the wisdom of governmental regulation and to obey or disobey regulatory authority based upon his assessment of the validity or value of the regulation in question.

The regulations, which are the basis of the CAB's enforcement action, are based upon the Civil Aeronautics Act of 1938. To understand these regulations it is necessary to understand the law under which they are written. It is the basic law which regulates the air transportation system of this country, both at home and abroad. It was adopted in 1938, when the airline system of the country was on the verge of bankruptcy. The financial condition of the industry was chaotic, and the safety record of the industry was poor. The act resulted from 4 years of study, in which the distinguished senior Senator from Nevada took the lead in this body. It was decided that a sound air-transportation industry was essential to the national defense of the country, as well as to the commerce and the postal service, and that, therefore, measures should be taken to assure the economic stability of our air-transport system and to improve the safety of its operations.

The provision of the Civil Aeronautics Act which was adopted at that time, and which has a bearing on this present problem, forbade any person to operate an airline unless he had received a certificate of convenience and necessity from the Civil Aeronautics Board. In order to secure such a certificate, he had to prove, in a public hearing, that there was a need for the new service, and that he was fit and able to operate it. The reason the applicant was required to demonstrate a public need for his service was to prevent the destructive competition in the industry which had reduced it to financial chaos in 1938. It was thought that by avoiding destructive competition a stable industry could be created which could be relied upon to aid the military services in times of crisis, and would develop air transportation as rapidly as could be done. The reason each applicant had to demonstrate his fitness to be an air carrier was in order to make certain that the industry would be developed by men of responsibility and integrity. A further reason for the certificate of convenience and necessity was to make certain that the airlines would continue to serve the communities they were authorized

to serve, and thus the cities of the country could rely upon continued service by the airline or airlines that were authorized to serve them.

The objectives of the Congress in passing the Civil Aeronautics Act of 1938 were achieved. Our air transportation system is a good one. There is none better. It stands ready to give not only good public service, but ample aid to the military services in time of crisis. But one thing about the statute must be remembered, and that is that the Congress in the act told its agency, the Civil Aeronautics Board, that no one was to run an airline without securing a certificate of convenience and necessity, and making proof of the two elements previously described. That is the general rule that the Congress asked the Board to carry into effect.

In order to prevent the statute from being completely rigid, the Congress did give the Board power to exempt applicants from this requirement if their operations were either so unusual or so small that the regulation would be an undue burden on them. The Board has acted under this power to exempt by issuing the regulation which is criticized by the Senator from Alabama. The Board has stated that if an air carrier operates an irregular service or a nonscheduled service, it need not secure a certificate of convenience and necessity. In issuing this regulation the Board granted to these carriers the great privilege of conducting an air service without going to the trouble of proving the need for the service or their own fitness to operate it, but the Board conditioned the grant of this privilege by requiring them to run an irregular or nonscheduled service. We must remember that the Board granted this as a limited privilege, and had the right to limit its application and to define its boundaries.

Many of the carriers that have taken advantage of this regulation have conducted an irregular service, within the prescribed limits of the regulation, and the Board has made no effort to impair their operations. A somewhat smaller number of these operators have accepted the benefits of the Board's exemption, but have refused to abide by its limitations. They have conducted operations so extensive that the Board now alleges they are violating its regulation. The Board alleges that their operations are so frequent as to amount to the conduct of a scheduled service which, under the law can only be performed by a carrier which has sought and secured, a certificate of convenience and necessity. I understand that the Board proposes to give these carriers a full hearing to determine whether they are violating its regulation. They will have an opportunity to present evidence, to cross-examine witnesses, to argue before the Board, and later to take the matter into the courts if they are aggrieved by the results. If it is eventually found that they are violating the regulation, then it will have been demonstrated that they have abused the privilege granted to them by the Board. On the other hand, if it is determined that they have not violated the regulation, none of their rights will be taken away from them.

I have no way of knowing whether any of these carriers are guilty of the charges made against them, but it seems clear to me that the Board should not be criticized for enforcing the statute which they are sworn to administer, particularly when the rights of the defendants are so thoroughly safeguarded. Certainly, the CAB or any other regulatory agency of the Government, has not only a right but also a responsibility to police its own regulations. In this case, that responsibility is inherent in the Civil Aeronautics Act.

The fact that the Board is at present conducting a proceeding which might result in an alteration of these regulations should certainly not permit the Board to condone violations of the regulations which are now

in existence or the carriers to disobey them. The air transport industry is hedged about by many regulations—some of them critical to the continued safety and economic soundness of the industry. It would be disastrous to establish the principle that once the Civil Aeronautics Board has undertaken to examine a particular safety or economic regulation, the carriers would thereupon be free to violate it, and the Board no longer had responsibility to enforce it. I submit that, in this direction, lies the very chaos and disregard for law which the Congress sought to correct with the passage of the Civil Aeronautics Act.

RAYMOND E. WILLIS, OF INDIANA

The PRESIDING OFFICER. If the Senator from Michigan will yield, the Chair desires to state that there is present in the Chamber a very distinguished visitor, a former Member of the United States Senate, the Honorable Raymond E. Willis, of Indiana. [Applause.]

Mr. FERGUSON. Mr. President, all of us are very happy to have the distinguished former Senator from Indiana on the floor today.

MUTUAL SECURITY APPROPRIATIONS, 1954

The Senate resumed consideration of the amendments of the House to the amendments of the Senate numbered 7, 26, 31, and 33 to the bill (H. R. 6391) making appropriations for mutual security for the fiscal year ending June 30, 1954, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Michigan [Mr. FERGUSON] that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 26, 31, and 33.

Mr. SMATHERS. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I will yield provided that what the Senator from Florida has to say is with reference to mutual security.

Mr. SMATHERS. It is, and I ask the Senator to yield in order that I may make a 5-minute statement relative to a Senate amendment which was eliminated in conference.

Mr. FERGUSON. I yield for that purpose, but for no other purpose.

Mr. SMATHERS. Mr. President, last week when we were debating appropriations for mutual security, the Senate adopted, by a voice vote, and, so far as I know, it was unanimous, section 103 which provides that not more than 50 percent of the moneys allocated to shipbuilding shall be expended outside the continental limits of the United States.

The reason why that amendment was offered by myself, the junior Senator from Massachusetts [Mr. KENNEDY], and several other Senators, was that there was provided for in the authorization act and subsequently appropriated by the Senate \$194 million for building ships outside the United States.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Michigan yield in order that I may make a brief statement at that point?

Mr. FERGUSON. I yield.

Mr. BUTLER of Maryland. I placed in the RECORD this morning an article, which I hope the Senator will read, dealing with the subject of shipbuilding outside the United States of America, while in America it will be necessary next year to close down some of our yards for lack of orders.

Mr. SMATHERS. I thank the Senator from Maryland. He was one of the sponsors of the amendment. Unfortunately, it was eliminated when it should have been retained, because the very purpose of the Mutual Defense Act is that offshore construction shall not be indulged in when it results in unemployment or injury to the United States.

It was pointed out not long ago that unemployment in American shipyards has increased to an extent which is really shocking. In 1950, 178,000 persons were employed in the shipyards of the United States. Today less than 70,000 are so employed. As a matter of fact, we were able to show that as of April 1954 there will be no contract for the laying of any new keel in any private shipyard in the United States. So in view of that fact, we felt that at least half of the \$195 million should be spent in ship construction within the United States in order to prevent at least a further decline of employment in American yards, for we know that when there is unemployment in shipyards it is reflected in unemployment in other industrial fields.

I should like to read a brief statement made by a responsible official who testified before the Maritime Subcommittee of the Senate Committee on Interstate and Foreign Commerce. The statement is as follows:

Today, the shipbuilding industry faces a nearly complete cessation of activity by the end of next year and prospects for additional work are not encouraging. At the present time there are less than 50,000 employees engaged in the major private shipbuilding yards and employment is dwindling rapidly. There is not a ship construction yard in the United States at the present time that has not already passed the point where new orders were necessary to forestall mass layoffs of personnel particularly in the early trades. The last keel will be laid by April 1954, and except for four naval vessels, all vessels will be launched and the ways empty by the end of next year. The loss in employment will be severe and the dissipation of shipbuilding skills will take years to overcome.

This situation is not only serious because of its economic impact in shipbuilding communities but is immeasurably more serious in its impact on the capacity of this country to defend itself.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. KENNEDY. As the Senator from Florida knows, the President's Advisory Committee in 1944 recommended that the United States construct 46 troop carriers and passenger carriers. The United States has constructed only 6 passenger vessels and 3 troop vessels, which shows that the United States is not maintaining its position in this field.

The Senator is also aware of the fact that most of the vessels are being built in Europe, and that the European yards have a large backlog. Of the 67 tankers which the United States has acquired

since World War II, more than 50 have been built in foreign countries, which indicates a tremendous backlog of ship orders now available to European yards.

Mr. SMATHERS. I should like to supplement the statement by the junior Senator from Massachusetts, who has worked very hard on this shipbuilding matter, by reading from the CONGRESSIONAL RECORD of July 28, 1953, a statement with reference to the Camden, N. J. shipyard:

As a matter of fact, the best information available in shipping circles is that for years ahead most of the big European maritime powers will be kept busy merely replenishing their merchant fleets which were so badly crippled in World War II.

Denmark, Norway, Sweden, Italy, and France saw their great merchant fleets virtually wiped out by Nazi submarines and seizure or, as in the case of Italy, by allied submarine and air blows. Great Britain's enormous fleet of merchant vessels was chewed severely during the war and has suffered since from obsolescence. Virtually alone, our Navy destroyed, possibly for all time, Japan's immense cargo fleet and most of its naval power.

It will take nearly a generation for the countries named to bring their cargo-carrying fleets to a point compatible with their economic and military security.

The statement goes on to name the ships which have been built since World War II, and shows there is a backlog of orders sufficient to keep foreign countries busy for a period of 4 or 5 years.

Mr. KENNEDY. Approximately 50,000 people are now employed in the industry in the United States. On January 1 or this year, the Fore River yard of the Bethlehem Steel Co. employed 10,000. Under present conditions, by June of 1954 only approximately 3,000 people will be employed there; and before the end of that year, employment will almost cease in one of the largest yards of the country. I think this matter should be taken care of now. It is important that our amendment for the preservation of these skills in this country be adopted, lest another emergency find us without an adequate supply of ships and shipbuilding skills.

Mr. KILGORE. Mr. President, will the Senator from Florida yield?

Mr. FERGUSON. Mr. President, I think I have the floor.

The ACTING PRESIDENT pro tempore. The Senator from Michigan has the floor. Does the Senator from Michigan yield to the Senator from West Virginia?

Mr. FERGUSON. I yield, on condition that I shall not lose the floor.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Michigan may yield to the Senator from West Virginia with that understanding.

Mr. KILGORE. Is the Senator aware of the fact that a number of shipbuilding companies are accepting soft currency? By "soft currency," I mean sterling, marks, and other monetary units. They are using soft currency for the purchase of tankers and other ships. Is the Senator aware of that fact?

Mr. KENNEDY. I appreciate the Senator's mentioning it.

Mr. KILGORE. A number of tankers made in British and Scotch shipyards have been purchased with soft currency.

Mr. KENNEDY. Mr. President, will the Senator from Michigan yield for one last question?

Mr. FERGUSON. I yield.

Mr. KENNEDY. One of the basic purposes of the MSA program is to build up the currency in American dollars available to these other nations. The Senator must be aware of the fact that for the first time in 3 years the balance of payments is nearly even. This indicates, more than anything else, the fact that a portion of the large amount of money to be used for ship construction can be used more effectively in the United States than it can be used abroad.

Mr. FERGUSON. I should like to make a statement on that point.

Mr. SMATHERS. Mr. President, will the Senator from Michigan yield further?

Mr. FERGUSON. I yield.

Mr. SMATHERS. It is regrettable that in conference this amendment was deleted. I hope the committee next year will take into consideration the fact that in the American shipbuilding industry—an industry which, of course, is necessary for the national defense—there is growing unemployment. Let us maintain a broad base of shipbuilding. In the foreign shipyards there are backlogs of orders which will keep those yards busy for 4 or 5 years. We understand that productivity in Western Germany, Italy, and France is now higher than it was in 1939.

It seems to me impractical and certainly imprudent to be spending \$194 million of the taxpayers' money in foreign shipyards when, at the same time, we are not keeping our own yards busy.

I wish to suggest to the Senator from Michigan, the very able chairman of the subcommittee, that next year, when this matter comes before his committee, he seriously consider cutting out offshore shipbuilding work and directing the work into the private shipyards of the United States.

Mr. FERGUSON. I am certain this debate will be of value to the Administrator of the mutual-security program.

We had some difficulty analyzing this particular section. I might explain why it was deleted by the conferees.

Mr. KILGORE. Mr. President, will the Senator yield for a short statement?

Mr. FERGUSON. I yield.

Mr. KILGORE. In my raising of the question of the building of ships abroad with foreign currency, without the sale of petroleum products or American merchandise, I was in no sense of the word condemning the practice. In fact, I think it should be continued. But I also think our dollar money should be used as much as possible in American shipyards.

Mr. FERGUSON. The amendment provides "That not more than 50 percent of moneys allocated in this act for shipbuilding shall be expended outside the continental limits of the United States."

The committee had difficulty with the word "allocated," because certain money

was obligated previously to this, and whether the word "allocated" covered that which had been previously obligated was a pertinent question. There was a question whether the money would be expended outside the United States or would be paid within the United States for shipbuilding.

As a matter of fact, we were told by the Director of Mutual Security that the ratio of money being spent was 46 percent in the United States and 54 percent in foreign shipyards. So when we read the paragraph providing for 50 percent, we were disturbed as to whether it would apply to the new funds, or to those already obligated, which we could not unobligate. So the amendment was stricken out.

I am certain the debate on the floor today will be of value to the Mutual Security Director, in order that he may keep a proper ratio of work in the United States shipyards, because I know we are sympathetic to the idea of building in this country.

A question also arose as to the capacity for making more ships by the expenditure of the money in foreign yards, which was the reason why the figure of 54 percent was provided for foreign countries, and 46 percent for the United States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. LONG. About a year ago I investigated one of the contracts to buy certain ships to be produced in European shipyards. Upon inquiry, I learned there was no saving. It would cost just as much money to buy the ships in question if produced in a foreign shipyard as it would to buy the same ship manufactured in the United States. The purpose of acquiring ships from foreign shipyards was simply to rebuild the shipbuilding industries of foreign countries.

I believe the Senator from Michigan will find that much of the purpose of the offshore-procurement program, so far as ships are concerned, is to rebuild the shipbuilding industries of foreign nations. The concern many of us feel—and in this respect I associate myself with the junior Senator from Florida [Mr. SMATHERS]—is that, in many instances, there is no economy. But, in order to build up the shipbuilding industry of some foreign nations, this Nation is letting our own shipbuilding industry deteriorate and go out of business.

I hope something can be done to protect our own shipbuilding industry.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BUTLER of Maryland. Within the last 2 weeks, a responsible official of the shipbuilding industry appeared before a subcommittee investigating maritime subsidies, of the Committee on Interstate and Foreign Commerce. He testified that if he had an order to execute immediately, he could not help but lay off a great many shipworkers next year, especially those who have fine skills and who do the work in the early fabrication of a ship.

Unless something is done to strengthen our yards and our industry in the United

States, we shall come upon hard times when ships are needed, and needed badly, for the purpose of carrying troops and cargo in the event of war.

Mr. FERGUSON. The committee was sympathetic to that idea.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. It is my understanding that there are six international organizations, including FAO, WHO, and others of that kind, which have received funds under the expanded technical-assistance program for which the United States Government pledged \$12,500,000 for the 1953 calendar year.

I also understand that, after receiving these funds, plus some \$9 million from the other governments, these organizations have committed themselves to a series of projects, including sending experts into the field, and so forth. Can the Senator tell us what has happened to that appropriation?

Mr. FERGUSON. For multilateral technical cooperation, the Senate approved \$9,500,000 for the fiscal year 1954. I wish to underscore the words "The fiscal year 1954."

In addition, \$4,495,812 was approved for the remainder of the calendar year 1953; or a total of \$14,095,812.

The best agreement the Senate conferees could get in conference was an appropriation of \$9,500,000 for the fiscal years 1954.

Those in charge of the technical-assistance programs want to operate on a calendar year basis, whereas the Committees on Appropriations—and this is particularly true of the House—are determined, to keep appropriations on a fiscal year basis, rather than on a calendar year basis. If appropriations were to be made on the basis of the calendar year, it would mean that all that would be received would be for the last 6 months of 1953, which would not have pleased the agencies at all.

Mr. AIKEN. Does that mean the United States will not be able to meet its commitments, along with some other 50 countries, in supporting the various international organizations?

Mr. FERGUSON. They can use a part of the \$9,500,000 for the fiscal year 1954 for this part of the calendar year.

Mr. AIKEN. Then they will have to ask for additional money next spring if they run short of funds to meet commitments?

Mr. FERGUSON. They would have to return to Congress with a request for additional funds.

Mr. AIKEN. They will have to take a chance on Congress granting supplemental appropriations?

Mr. FERGUSON. That is correct. Congress wants to retain control of appropriations. Congress does not wish to lose control by appropriating for calendar years rather than for fiscal years, because, in effect, that would require Congress to appropriate for a year and a half, which would be the last half of 1953 and all of 1954. I hope that those in charge of this program will realize that Congress is not necessarily cutting out the money. We are merely trying to

appropriate it on the basis of the fiscal year.

Mr. AIKEN. I simply wished to have an explanation as to why the conferees did what was done, because I know that there are those who do not understand why this action was taken. I understand that it was not done with the intention of eliminating United States participation.

Mr. FERGUSON. That is correct.

Mr. AIKEN. But in an effort to bring the appropriations into accord with the method of Congress in making appropriations.

Mr. FERGUSON. The Senator is correct.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. I should like to confirm what the Senator from Michigan has said to the Senator from Vermont, which was very clear. None of those appropriations were to be eliminated. It was only a question of placing them on the proper basis.

I am vitally interested in shipbuilding. The Senator from Michigan was carrying on a colloquy with the Senator from Florida [Mr. SMATHERS] as I entered the Chamber. Is it not the Senator's understanding that there is almost a fifty-fifty division as between the building of ships at home and the building of ships abroad at present? Is not the proportion 46-54?

Mr. FERGUSON. That is correct.

Mr. SALTONSTALL. If we undertook to place in the act language such as that which has been suggested, the situation might become more complicated and difficult. What we are trying to do is to keep our shipyards going.

Mr. FERGUSON. That is correct; but what the Senator from Florida was actually trying to do with his amendment, as he told me off the floor before the session began, was to divide the appropriation on a 50-50 basis. I do not think the language of his amendment would do it. Is not that a correct statement?

Mr. SMATHERS. That is a correct statement. What we attempted to do, what we thought we were doing, and what we hoped the conference committee would realize we were trying to do, was to divide the \$195 million which, under this bill, was to be spent in foreign shipyards, which already have a large backlog of orders, and spend half that sum in the shipyards of the United States, which have no orders. That was what we were trying to do. If we missed our objective, I very much regret it.

Mr. FERGUSON. The language of the provision would not do what the Senator from Florida desired.

Mr. SALTONSTALL. The Senator from Michigan is correct. We were fearful that if we included the language in the bill we would muddy the waters, rather than help our shipyards at the moment.

Mr. SMATHERS. I thank the Senator from Massachusetts. I know of his interest. I had hoped that the committee, having realized what we were trying to do, and desiring to help the shipyards of the United States, would in-

interpret the language of the provision, if it were susceptible to two meanings, in accordance with what we were trying to do to help United States shipyards.

Mr. FERGUSON. Mr. President, I wish to answer the question which the distinguished Senator from Vermont asked. I believe the same answer would apply also to the children's fund.

The Senate version of the bill for the International Children's Welfare work approved an appropriation of \$9 million for the calendar year 1954, and \$9,814,333 for the remainder of the calendar year 1953, or a total of \$18,814,333 for the 18 months. The House conferees were adamant against an appropriation for a period in excess of 12 months, or 1 fiscal year. The best agreement the Senate could get was an appropriation of \$9,814,333 for the fiscal year 1954, that is, from July 1, 1953, to June 30, 1954.

That is the same explanation as was made in relation to the other fund.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. ELLENDER. I listened to the colloquy between the distinguished Senator from Vermont [Mr. ARKEN] and the Senator from Michigan [Mr. FERGUSON]. It was my understanding that there was an actual cut with respect to the amounts which were to be appropriated for the World Health Organization, as well as for UNESCO, ILO, FAO, ICAO, and OAS, the reason being that the State Department sought to reduce our contribution to the United Nations to 33 1/3 percent of the entire amount of money necessary to operate that organization and its subsidiary agencies. But we found in the Mutual Aid Act some additional money for technical assistance, the total of which aggregated 60 percent of the full UN budget for these agencies. I am wondering if the conferees restored the money which the Senate cut out?

Mr. FERGUSON. The conferees took out money which the Senate put in. The Senate tried, with respect to the funds about which we have been speaking, to provide appropriations for 18 months. The House would not agree to that, because it wished to control the appropriations on a fiscal-year basis. Therefore we had to take money out.

Mr. ELLENDER. The Senator will recall that it was shown before the committee that, with respect to the World Health Organization, UNESCO, and four other similar institutions, that we were paying about 60 percent of the total cost.

Mr. FERGUSON. That is correct.

Mr. ELLENDER. We reduced the appropriation.

Mr. FERGUSON. Yes. We reduced it below the budget estimate, but the Senate increased the amount of funds over the House bill.

Mr. ELLENDER. The House had likewise reduced it.

Mr. FERGUSON. That is correct. The House had cut the budget estimate.

Mr. ELLENDER. Was that cut restored?

Mr. FERGUSON. In conference, a compromise figure was agreed upon. We

directed in the report that they get down to the one-third basis.

Mr. ELLENDER. So that money over and above 33 1/3 percent was not restored?

Mr. FERGUSON. We gave them the money, realizing that they could not get down to the one-third because of their previous commitments.

Mr. ELLENDER. They were given 50 percent of what they asked for. That was what the committee did. I am wondering if the conferees increased that percentage.

Mr. FERGUSON. No.

Mr. ELLENDER. So the Senate figures remain intact.

Mr. FERGUSON. The Senate figures for the fiscal year remain intact, not the Senate figures for the 18 months. The funds for 6 months were really taken out.

Mr. ELLENDER. On the 6-month basis, are we to understand that the United States will continue to pay 60 percent of the money necessary to operate the new division, that is, UNTCA, created under the United Nations, to take care of additional expenses for the International Labor Organization, for the World Health Organization, and for four other similar organizations?

Mr. FERGUSON. Our instructions to the Administrator are to reduce the contribution to 33 1/3 percent. We hope he will live up to those instructions.

Mr. ELLENDER. But money is provided in addition to the 33 1/3 percent.

Mr. FERGUSON. For this year.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McCLELLAN. Section 105 of the appropriation bill which we are now considering provides as follows:

SEC. 105. Of the funds appropriated by this act, except funds appropriated for assistance under sections 541 and 548 of the Mutual Security Act of 1951, as amended, not less than \$100 million shall be used to carry out the provisions of section 550.

Is it the Senator's understanding—as it was the understanding and intent, I believe, of the Appropriations Committee of the Senate, as well as of the Senate itself at the time this provision was adopted—that this \$100 million must be taken out of funds other than funds appropriated for economic aid?

Mr. FERGUSON. I will answer that question in this way: The answer is "Yes," with an explanation. In section 541 of the Mutual Security Act of 1951, we find this language:

SEC. 541. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed \$250 million to carry out the provisions of section 101 (a) (2) (relating to defense support and economic assistance for Europe).

It was the purpose to use \$190 million of the \$250 million for surplus agricultural products. This \$100 million is to be taken out of other funds somewhere—wherever they want to take it out.

Mr. McCLELLAN. In other words, the \$100 million provided for in section 105 cannot be charged against economic aid provided for and authorized under section 541.

Mr. FERGUSON. That is correct.

Mr. McCLELLAN. Then it must be in addition, and therefore it must come out of military aid, which is provided in other sections of the act.

Mr. FERGUSON. Or some other aid, because in the statement of the managers on the part of the House there is contained the following:

Amendment No. 32 inserts Senate language providing that not less than \$100 million shall be used to carry out the provisions of section 550—

That is the section which was inserted on the floor of the Senate at the request of the Senator from Arkansas—

relating to the distribution of agricultural commodities. The funds provided by this language are in addition to, and not in substitution for, funds available under sections 541 and 548 for economic assistance in the form of agricultural commodities.

Section 548 deals with foreign credits, and it is apparent in the language that it would be impossible to use foreign credits for the purchase of American commodities. So it is in addition to the other funds.

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. FERGUSON. I yield.

Mr. McCLELLAN. I noted the language contained in the statement of the managers on the part of the House, but I did not note the same language in the conference report. I wonder why that language was not contained in the conference report so as to make it emphatic.

Mr. FERGUSON. The distinguished Senator is a member of the Committee on Appropriations, and he realizes that when there are certain points on which we cannot agree with the House, we get them—the managers of the conference on the part of the House—to insert certain language in the statement they submit to the House. The Senate conferees do not file such a statement, but the House conferees do.

Mr. McCLELLAN. That is the very point I wanted to raise. Is there disagreement or misunderstanding about the source of these funds, namely, that they must come from funds other than under sections 541 and 548? Is there any disagreement as between the managers?

Mr. FERGUSON. There is no disagreement between the managers on the part of the Senate and those on the part of the House. These funds are in addition to those mentioned in sections 541 and 548.

Mr. McCLELLAN. I have one more question to ask of the distinguished Senator from Michigan. Is there any difference of opinion as between the managers on the part of the House and the managers on the part of the Senate that if the \$100 million is not used to carry out the purposes of section 550, the funds must remain in the Treasury and are not available for expenditure for other purposes?

Mr. FERGUSON. That is a fact.

Mr. McCLELLAN. Is that correct?

Mr. FERGUSON. That is correct.

Mr. McCLELLAN. Then the effect of the amendment, which is now section 550 of the Mutual Assistance Authorization

Act, and section 501, or amendment 32 of the appropriation bill, is that the \$100 million must be expended for the purchase of surplus agricultural commodities in America, or the money will not be expended, but will remain in the Treasury. Is that correct?

Mr. FERGUSON. That is correct. I will ask the Senator: Was that not the intention of the Senator from Arkansas when he offered the amendment?

Mr. McCLELLAN. That was the intention, but I wanted to determine, as we consider the conference report, that that intention has been carried out.

Mr. FERGUSON. That is correct.

Mr. McCLELLAN. I wish to say that while this is not a big start, it is the beginning, as long as foreign aid continues—if it must continue longer than this year—of a program and a formula for increasing trade, and thus provide aid by increasing trade, rather than by giving things away, and at the same time provide a market for agricultural commodities of which we now have an abundant surplus.

Mr. SPARKMAN. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. SPARKMAN. I am very glad the discussion has come up between the distinguished Senator from Michigan and the distinguished Senator from Arkansas. Personally, I have been very much concerned by reports to the effect the surplus commodities were to be paid for from funds that were otherwise provided for. I discussed the matter with the Senator from Arkansas, and I knew that was not his intention. I knew too that in the conference committee such was not the intention, but that the intention of the conference committee was as has been explained in the exchange between the distinguished Senator from Michigan and the distinguished Senator from Arkansas. I am delighted the record has been set straight to that extent.

Mr. McCLELLAN. I thank the Senator from Michigan for yielding to me and for clearing up the situation, so there can be no misunderstanding about it. I believe that our efforts have resulted in marketing \$100 million of agricultural commodities which are now in surplus, which otherwise would not have been marketed under the provisions of the law, unless the two amendments, the one in the authorization bill and the other in the appropriation bill, had been enacted into law.

Mr. FERGUSON. Mr. President, I ask for a vote.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. ELLENDER. I notice that the Senate conferees increased the amount of money allocated to France, for the purpose of purchasing materials to be used in the war in Indochina. This item was increased in conference by \$100 million—from \$300 million to \$400 million.

Mr. FERGUSON. That is correct.

Mr. ELLENDER. What effort, if any, did the Senate conferees put forth to maintain the views of the Senate on that

item? In other words, why did the conferees consent to increasing the amount from \$300 to \$400 million?

Mr. FERGUSON. Let me put it this way. The Senate conferees were of the opinion that the evidence presented at the hearings was not sufficient to increase the amount to \$400 million.

Mr. ELLENDER. I attended the hearings myself. The evidence I heard—and I attended all the hearings—was that we are presently paying about 60 percent of the cost of the Indochina war. I think, in view of the amount of money we have already poured into France, plus the fact that the French industrial capacity has increased tremendously over prewar due to our help, that it is high time we stopped pouring forth our tax money, our borrowed money, if you please. Our debt is much more than that of France. Unless we cease this spending of huge amounts, unless we make our allies realize that they are not doing their full share, we shall be bankrupt. I ask the Senate to consider what that would mean.

Mr. FERGUSON. The conferees on the part of the House, however, claimed to have further evidence. As the Senator knows, this is a secret item, so labeled for security reasons. The Members of the House demonstrated, after much negotiation and discussion of the matter—and they presented their views very strongly—that there was sufficient evidence presented to them which indicated beyond any doubt in their minds that the \$400 million was essential for this item in Indochina.

Mr. ELLENDER. How were the House Members able to secure evidence that we as Members of the Senate could not obtain? It was my understanding that we had been given the full picture.

Mr. FERGUSON. There were, as the Senator knows, discussions off the record. I will say frankly to the Senator from Louisiana that when the amount was not allowed by the Senate committee as the bill was reported to the Senate, Mutual Security Administration officials submitted evidence to Members of the Senate which indicated that, because of the secrecy of the matter, it was essential to place the larger amount in the bill. Then they were willing to give more evidence than they had presented in the regular way.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KNOWLAND. I was not a member of the conference, of course, but, without trespassing on the high security of the classification of the material, which material was shown to me, I believe the facts are substantially that at the time the testimony was taken before the Senate committee, one of our representatives in the armed services who was in that area of the world had not yet returned to this country to make his report.

Mr. FERGUSON. That is correct.

Mr. KNOWLAND. They thought that a figure in this neighborhood might be

necessary, but the Senate struck it out because in the judgment of the Senate it was not supported at the time by sufficient testimony.

Mr. FERGUSON. That is correct.

Mr. KNOWLAND. Subsequent to the hearings, the person in question returned. He submitted a report; and material with a very high security classification was provided to the conferees then present. That material, plus the material the conferees already had, was sufficient to enable them to determine that this item was of such importance that it should be included in the final figure.

Mr. FERGUSON. That is correct. That is what happened. The Senators who are on the conferee committee believed the item to be of great importance. However, the security classification of the material submitted is such as now to make it difficult for the Senator from California and the other Senators who are familiar with it to discuss it.

Mr. ELLENDER. Mr. President, what concerns me is that if we are actually picking up the check, as it were, for the manufacture of practically all the materials of war which will be used in the Indochina war.

As I pointed out on the floor of the Senate a few days ago, the amount of money spent by the French in that area of the world—and that amount includes funds contributed by the Associated states of Indochina—was approximately \$1,200,000,000; and the amount we are being asked to appropriate in this bill is almost that much. So we are now simply making ourselves liable for carrying on the war in Indochina. That is about the sum and substance of it. We are already contributing more than France. If we exclude the Indochinese contribution, we are carrying about 60 percent of the burden.

In addition to this amount, we are paying 38 percent of the French contribution to NATO. We are not only paying for over half of the war in Indochina, we are only 12 percent short of paying half of the French contribution to NATO, along with 100 percent of our own.

Mr. President, if we continue to obligate ourselves to that extent, then, instead of having to raise the debt limit, as President Eisenhower has requested, to \$290 billion, we might have to raise it to \$300 billion or even more.

My fear is that the amount now being provided for stocking French arsenals will make inevitable that France will conduct the war in Indochina entirely at our expense.

I am hopeful that next year an appropriation of this character will not be made.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Michigan [Mr. FERGUSON] that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 26, 31, and 33.

The motion was agreed to.

AMENDMENT TO THE FEDERAL POWER COMMISSION ACT— STATEMENT BY SENATOR JACKSON

Mr. MANSFIELD. Mr. President, earlier today my colleague, the junior Senator from Washington [Mr. JACKSON], introduced Senate bill 2590. After introducing the bill, he was requested by the President of the United States to accompany him to Seattle, Wash.

I now ask unanimous consent to have the speech which the junior Senator from Washington was going to make, incorporated at this point in the RECORD, as a statement by him of his stand on Senate bill 2590.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JACKSON ON BILL S. 2590 TO AMEND THE FEDERAL POWER COMMISSION ACT, INTRODUCED BY MR. JACKSON, MR. MAGNUSON, MR. HILL, MR. HUMPHREY, MR. HENNING, MR. MURRAY, MR. MANSFIELD, MR. LEHMAN, MR. LANGER, MR. MORSE, MR. GREEN, MR. GILLETTE, MR. DOUGLAS, MR. KEFAUVER, MR. JOHNSON OF COLORADO, MR. KERR, AND MR. SPARKMAN

On July 31, 1953, the President of the United States sent a message to the Congress on the subject of conservation of natural resources. I would like to quote briefly from that message:

"In the stress of dealing with urgent problems of peace and security and budget appropriations and tax revenues, we sometimes overlook the fundamental importance to our national well-being of constructive, forward-looking policies designed to conserve and improve the Nation's natural renewable resources.

"Before the Congress adjourns, therefore, I believe it will be useful to focus attention on some of our basic land and water resource problems and to point the way for constructive efforts to improve the management and use of these resources."

The President also stated later on in his message, and I quote: "It is the purpose of this administration to present to the next session of the Congress suitable recommendations for achieving the objectives set forth in this message."

The President of the United States has, therefore, indicated that during the course of adjournment of Congress, exhaustive studies will be made of all conservation and resource-development programs. I would like to call to his attention the amendment to the Federal Power Commission Act which I, together with 16 of my colleagues, have introduced today. It is apparent that several actions may be taken by the executive and quasijudicial agencies during the adjournment of Congress which might tend to disrupt any policy which might be developed by the President during the congressional adjournment. Legislation can always be altered, but we cannot alter the designs of nature.

If, for example, the Federal Power Commission issues a license to the Idaho Power Co. to construct a low dam at Oxbow, the high dam site at Hells Canyon will be flooded out and this great site for multipurpose river development—incidentally, one of the few remaining any place in the United States—will be lost forever.

I therefore feel that the administration will look with favor upon the resolution I have introduced today, which merely serves the purpose of leaving the final decision on these matters to the elected representatives of the people—the Congress. I am confident that the President has no desire that the Congress should return in January to preside at the post mortem of Hells Canyon Dam.

My proposed amendment, however, has a wider application and significance than this one area of resource development.

The proposed amendment to the Federal Power Act is of vital importance to the sound development of the great waterpower resources of the country's river basins. Without this amendment there is no assurance that the values inherent in their development will flow to the people to whom they belong.

This amendment is offered to meet a crisis in Federal power policy. It is proposed to block a many pronged drive of the power trust to reverse the great progress which has given the people of this country the Tennessee Valley Authority, the Bonneville Power Administration, the Central Valley program in California, the Southwestern Power Administration, and the great plans to use the resources of the country's many river basins to build up agriculture and industry, assure full employment and higher incomes, and provide homes with all the conveniences which low-cost electricity can offer.

The ultimate objectives of this drive extend far beyond the arresting of Federal development of hydroelectric power. The private power monopolies will not be satisfied until they have blotted out the splendid municipally owned power systems, large and small, which dot our land, together with the hundreds of rural electric cooperatives through which the Nation's farmers have brought themselves full participation in the electric age.

Today the Federal Power Act, which was designed to protect the people's interest in these resources, is being deliberately used by private power monopolies to destroy the very power policy which it embodies. They are actively securing licenses to construct the outstanding projects in integrated Federal river-basin programs, or to build lesser projects which will forever preclude full utilization of these resources.

Just as the start of the rural electric program was harassed by private company building of what became known as "spite" rural electric distribution lines into areas for which rural electric cooperatives had already obtained loans, so companies today are building "spite" hydroelectric projects to diminish the possibility of low-cost Federal power supply for municipally owned and rural electric cooperative power systems.

In the course of my remarks I am going to give you some striking illustrations of just what is happening. I am going to show how it is a part of a mammoth campaign to overthrow the power policy established by Congress. But first, I want to point out that this amendment merely corrects an omission at the time the act was first amended in 1930.

The Federal Power Act was born as the Federal Water Power Act of 1920. It embodied the principles which had been formulated by conservationists during the administration of President Theodore Roosevelt. These principles center around the great concept that the country's waterpowers belong to the people and should be developed as parts of comprehensive river-basin programs.

This concept of water powers as resources of the people found expression in a number of important provisions of the act.

In the first place, the first right to develop any of these resources is reserved to the United States representing the people. The Federal Power Commission, set up to administer the act, if it decides that the development of any resource should be undertaken by the Government itself, must deny the application for a license and recommend a plan of development to Congress. This provision is found in section 7 (b) of the act.

In the second place, if a State or municipality and a private company are applicants for the development of a particular water-

power resource, the Commission must give preference to the public agency if its plans for development are equally good. And if the public plans are not as good initially, the Commission must afford the State or municipality a reasonable time in which to make them as good. This provision is found in section 7 (a) of the act.

In the third place, no license can be issued for a project unless it is found best adapted to the comprehensive plan for the development of the waterway for all purposes. This is found in section 10 (a) of the act.

And, finally, the Government may recapture the licensed project with reasonable notice at the end of the license period on payment of the net investment. This is found in section 14 of the act.

Under the Federal Water Power Act of 1920, there was a further provision which made sure that no licenses would be issued to private power companies which would conflict with Government river-basin programs.

This provision constituted the Federal Power Commission as an ex-officio body, made up of the three Cabinet members responsible to Congress for carrying out the direct planning and construction activities of the Federal Government in the field of river-basin development. They were the Secretary of War, responsible for the Corps of Engineers river-basin work; the Secretary of the Interior, responsible for the activities of the Bureau of Reclamation; and the Secretary of Agriculture, responsible for the watershed measures of the Federal Government.

The Federal Water Power Act was amended in 1930 to set up the Commission as an independent agency, composed of five Commissioners appointed by the President and confirmed by the Senate. This, of course, removed the resources development agencies from participation in its licensing activities. They are called upon for their comments on applications for license, but final decision rests upon the Federal Power Commission.

This created a hydra-headed approach to the development of the country's waterpower resources in which the decision of the Commission to grant a license might at any time destroy the integrity of the Government's own river-basin programs, which were just beginning to develop on a large scale.

Until the last few years this conflict did not become apparent, for the Commission itself was sympathetic with and played an increasing part in planning the power aspects of these river-basin programs. The Flood Control Act of 1938 carried a provision for Federal Power Commission cooperation with the Corps of Engineers in this vital function.

Corps of Engineers reports to Congress, recommending comprehensive plans for multipurpose development of the country's rivers under the supervision of the Secretary of the Army and the Chief of Engineers, have regularly carried letters from the chairman of the Federal Power Commission concurring in such recommendations.

But, when the drive of private monopoly to overturn the Federal power program under the spurious slogan "creeping socialism" began to mesmerize the public mind, one of its stratagems was to seek licenses to build the key power projects in Federal river-basin programs. And gradually the Federal Power Commission began to think of itself as enjoying the supreme authority to make the country's power decisions, even where such decisions favored private monopoly as against river-basin programs which had been either approved by Congress or on the planning of which Congress had spent large sums of money.

I want to present three cases which make it crystal clear why the amendment to the Federal Power Act which we are offering is a number one must if the integrity of Federal power policy is to be preserved. These ex-

Public Law 218 - 83d Congress

Chapter 351 - 1st Session

H. R. 6391

AN ACT

All 67 Stat. 478.

Making appropriations for Mutual Security for the fiscal year ending June 30, 1954, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Mutual Security for the fiscal year ending June 30, 1954, namely:

Mutual Security
Appropriation
Act, 1954.

MUTUAL SECURITY

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1951, Public Law 165, approved October 10, 1951, as amended, as follows:

65 Stat. 373.
22 USC 1651 note.

Military assistance, Europe: For assistance authorized by sections 40 and 548 for the purpose of section 101 (a) (1), \$1,860,000,000, together with not to exceed \$1,311,977,003 of the unobligated balances of appropriations heretofore made for military assistance, Europe, which balances shall be consolidated with this appropriation;

Ante, pp. 152,
159, 156.

Military assistance, Near East and Africa: For assistance authorized by sections 540 and 548 for the purpose of section 201, \$240,000,000; and in addition, for assistance authorized by section 202 (b), \$30,000,000; together with not to exceed \$312,713,221 of the unobligated balances of appropriations heretofore made for military assistance, Near East and Africa, which balances shall be consolidated with this appropriation;

Ante, pp. 152,
159, 156.
22 USC 1691.

Military and other assistance, Asia and the Pacific: For assistance authorized by sections 540 and 548 for the purpose of section 301, \$1,035,000,000, together with not to exceed \$256,843,411 of the unobligated balances of appropriations heretofore made for military and other assistance, Asia and the Pacific, which balances shall be consolidated with this appropriation, of which there shall be available for assistance to the Nationalist Government of China, with temporary headquarters on Formosa, 20 per centum in excess of the sums set up in the document entitled, "Mutual Security Program estimates, fiscal year 1954";

Ante, pp. 152,
159.
22 USC 1701.

China.

Military assistance, American Republics: For assistance authorized by sections 540 and 548 for the purpose of section 401, \$15,000,000, together with not to exceed \$50,723,170 of the unobligated balances of appropriations heretofore made for military assistance, American Republics, which balances shall be consolidated with this appropriation;

Ante, pp. 152,
159.
22 USC 1711.

Mutual defense financing, defense support, economic and technical assistance, Europe: For assistance authorized by sections 541 and 548 for the purpose of section 101 (a) (2), \$220,000,000, together with not to exceed \$115,706,906 of the unobligated balances of appropriations heretofore made for the purposes of this paragraph of which unobligated balances, \$75,049,926 shall be available only for assistance to Spain and \$37,500,000 shall be available for aircraft production in Italy;

Ante, pp. 152,
159.
22 USC 1681.
Spain.

Italy.

Mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam: For assistance authorized by section 541 for the purpose of section 302 (a), \$84,000,000, together with not to exceed \$17,821,596 of the unobligated balances of appropriations heretofore made for this purpose, which balances shall be consolidated with this appropriation;

Formosa, etc.

Ante, p. 152.
22 USC 1702.

All 67 Stat. 479.

- Ante, p. 153. Mutual defense financing, manufacturing in France: For assistance authorized by section 102, \$85,000,000;
- Ante, p. 153. Mutual defense financing, manufacturing in the United Kingdom: For assistance authorized by section 102, \$85,000,000;
- Ante, p. 153. Mutual defense financing, for equipment, materials and services for forces in the Associated States of Cambodia, Laos, and Vietnam: For assistance authorized by section 304, \$400,000,000;
- Ante, p. 153. Mutual special weapons planning: For assistance authorized by section 542, \$50,000,000;
- Ante, p. 154. Economic and technical assistance, Near East and Africa: For assistance authorized by section 543 for the purpose of section 203, 22 USC 1693. \$33,792,500;
- Ante, p. 154. Economic and technical assistance, defense support, Asia and the Pacific, other than Formosa and the Associated States of Cambodia, Laos, and Vietnam: For assistance authorized by section 543 for the purpose of section 302 (a), \$51,278,001, together with not to exceed \$10,821,999 of the unobligated balances of appropriations heretofore made for economic and technical assistance, Asia and the Pacific which balances shall be consolidated with this appropriation;
- Ante, p. 154. Technical assistance, American Republics and non-self-governing territories of the Western Hemisphere: For assistance authorized by section 543 for the purpose of section 402, \$22,342,000;
- 22 USC 1712. Basic materials development: For assistance authorized by sections 22 USC 1665. 514 and 548, \$19,000,000;
- Ante, p. 159. Special economic assistance, Near East and Africa: For assistance Ante, p. 154. authorized by section 206, \$147,000,000;
- Palestine refugee program: Not to exceed \$44,063,250 of the unobligated balances of appropriations heretofore made for this purpose are hereby continued available during the fiscal year 1954;
- Ante, p. 154. Special economic assistance, India and Pakistan: For assistance authorized by section 302 (b), \$75,000,000;
- Ante, p. 154. Movement of migrants: For contributions authorized by section 534, \$7,500,000;
- Ante, p. 155. Multilateral technical cooperation: For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Ante, p. 161. Act for International Development, \$9,500,000;
- International children's welfare work: For contributions during the fiscal year 1954 as authorized by law, \$9,814,333;
- Ante, p. 155. Ocean freight, voluntary relief shipments: For payments authorized by section 535, \$1,580,166, together with not to exceed \$244,834 of the unobligated balances heretofore appropriated for this purpose which balances shall be consolidated with this appropriation;
- Ante, p. 155. Contributions to United Nations Korean Reconstruction Agency: For making contributions authorized by section 303 (a), \$50,700,000. 1953 funds.
- In addition to amounts otherwise made available herein, such amounts of 1953 funds as were obligated prior to June 30, 1953, and deobligated thereafter for any reason, shall be available for reobligation for the purposes of this Act during the current fiscal year.

CORPORATION

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year 1954 for such corporation:

Institute of Inter-American Affairs.

59 Stat. 598.
31 USC 849.

GENERAL PROVISIONS

SEC. 102. Appropriations in this Act for economic or technical assistance and allocations from any appropriations to the Director for Mutual Security, or the Mutual Security Agency, or the Department of State, shall be available, without limitation on any authority conferred by the Mutual Security Act of 1951, as amended, or any Act continued in effect thereby, for rents in the District of Columbia; expenses of attendance at meetings concerned with the purposes of such appropriations; employment of aliens, by contract, for services abroad; examination of estimates of appropriations in the field; maintenance, operation, and hire of aircraft; hire of passenger motor vehicles and, in addition, passenger motor vehicles abroad may be exchanged or sold and replaced by an equal number of such vehicles; transportation of privately owned automobiles; entertainment within the United States (not to exceed \$15,000); exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543); loss by exchange; expenditures (not to exceed \$50,000) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director or Deputy Director of Mutual Security, and every such certificate shall be deemed a sufficient voucher for the amount therein specified; insurance of official motor vehicles in foreign countries; rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters; actual expenses of preparing and transporting to their former homes in the United States or elsewhere the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under the Mutual Security Act of 1951, as amended; purchase of uniforms; ice and drinking water for use abroad; and services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized: *Provided*, That not to exceed \$57,500,000 shall be available for administrative expenses of the departments and agencies concerned with the administration of the programs provided for herein, and no part of such amount shall be used to pay the salary of any civilian employee at a rate greater than that paid by the State Department for comparable work or services in the same area: *Provided further*, That none of the funds provided herein shall be used after September 30, 1953, to pay any employee a basic salary of \$12,000 or more per annum, except that this prohibition shall not apply to two-thirds of the number of employees being paid at the basic salary of \$12,000 or more per annum on June 30, 1953: *Provided further*, That appropriations made under this Act shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the current fiscal year: *Provided further*, That no part of any appropriation contained in this

65 Stat. 373.
22 USC 1651
note.

Rental of
quarters.

47 Stat. 412.

62 Stat. 47.

Administrative
expenses.

Salary re-
strictions.

Travel ex-
penses.

Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of an average of five thousand pounds net but not exceeding nine thousand pounds net in any one shipment, but the limitations imposed herein shall not be applicable in the case of employees transferred to or serving in stations outside the continental United States under orders relieving them from a duty station within the United States prior to August 1, 1953.

Engineering
fees.
Report.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

Ante, pp. 152,
159.

SEC. 104. Of the funds appropriated by this Act, except funds appropriated for assistance under sections 541 and 548 of the Mutual Security Act of 1951, as amended, not less than \$100,000,000 shall be used to carry out the provisions of section 550.

Foreign debts,
restriction.

SEC. 105. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this or any other Act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That after September 1, 1953, none of the funds herein appropriated shall be used to make up any deficit to the European Payments Union for any nation of which a dependent area fails to comply with any treaty to which the United States and such dependent area are parties and said failure to comply has been adjudicated adversely to said nation in any court of competent jurisdiction nor shall any of the counterpart funds generated as a result of assistance under this Act be made available to such nation.

European Pay-
ments Union.

Transportation
on U. S. flag
vessels.

SEC. 106. The Administrator shall, in providing for the procurement of commodities under authority of this Act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this Act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

Strikes or
overthrow of
Government.

SEC. 107. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this paragraph engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained

Affidavit.

Penalty.

in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 108. This Act may be cited as the "Mutual Security Appropriation Act, 1954". Short title.

Approved August 7, 1953.

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